

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, DECEMBER 19, 2023 – 9:00 A.M.**

Special Notice: The meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website (www.cmers.com) prior to the meeting.

Please note and observe the following remote attendance etiquette to ensure a smooth and productive meeting:

- In order to cut down on background noise, participants in the meeting should put their phones on mute when they are not participating.
- At the start of the meeting, the Chairman will announce the names of the members of the Board present on the call, as well as anyone else who will be participating.
- Please request to be recognized by the Chairman if you would like to speak.
- Those participating on the call should identify themselves whenever they speak, and should ensure that the other participants on the call can hear them clearly.

REGULAR MEETING

- I. Approval of Minutes.
 - A. Regular Meeting Held November 28, 2023.
- II. Chief Investment Officer Report.
- III. Investment Committee Report.
 - A. Approval of Loomis Sayles Guideline Change.
 - B. Approval of Statement of Investment Policy Update.
- IV. New Business.
 - A. Retirements, Death Claims, and Refunds (November).
 - B. Conference Requests – December 2023 Board Meeting.
- V. Medical Reports.
 - A. All Duty & Ordinary Disability Applications & Re-examinations (December).
- VI. Unfinished Business.
 - A. Pending Legal Opinions and Service Requests Report.
 - B. Pending Legislation Report.
 - C. Executive Director's Report – Inventory of ERS Projects.

VII. Informational.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VII.A.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2023 YTD.
- D. Report on Bills.
- E. Deployment of Assets.
- F. Securities Lending Revenue and Budget Report.
- G. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

ADMINISTRATION & OPERATIONS COMMITTEE MEETING

WEDNESDAY, DECEMBER 20, 2023 – 9:00 A.M.

789 N. WATER ST.

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, JANUARY 23, 2024 – 9:00 A.M.

789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held November 28, 2023.

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Regular Meeting
held November 28, 2023 via teleconference

The meeting was called to order at 9:02 a.m.

Board Members Present: Matthew Bell, Chair
 Deborah Ford
 Timothy Heling
 Tom Klusman
 Rudolph Konrad
 Nik Kovac
 Aycha Sawa

Board Members Not Present: Molly King (arrived 9:05 a.m.)

Retirement System Staff Present: Jerry Allen, Executive Director
 Melody Johnson, Deputy Director
 Daniel Gopalan, Chief Financial Officer
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Gust Petropoulos, Deputy Director – Disability
 Robin Hayes, Pension Accounting Manager
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Larry Langer, Aaron Chochon, Cavanaugh Macdonald; Erin Scharlau, Legislative Audit Bureau; Patrick McClain, Travis Gresham, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., seven members of the public called in to the meeting.

Regular Meeting.

Mr. Bell initially took the meeting out of order to VI. Unfinished Business, Approval of New Actuarial Tables for Pension Benefits – Presentation by Cavanaugh Macdonald.

Approval of New Actuarial Tables for Pension Benefits – Presentation by Cavanaugh Macdonald. As a matter of information, Board members received from Cavanaugh Macdonald their memo regarding the "Considerations Regarding Joint and Survivor Factors." Mr. Langer said the Board adopts new factors for benefit calculations after the experience study is done. He said they can continue with the current factors or refine it a bit. Mr. Langer noted there are different mortality tables by employee class for the first time after the latest experience study. He said male to female ratios vary from group to group, and due to a 1980s court case, gender differences in mortality cannot be used for purposes of these factors. Mr. Langer said different rates cannot be charged for male versus female in similar situations, however the use of blended unisex mortality tables reflecting the make-up of the plan's membership by gender is appropriate. He noted no decision has been made to maintain the current one-table framework or a multiple-table framework. Mr. Langer stated the assumptions are updated after an experience study is completed. He said a combined table is a one-table structure combined for all employment classifications or

alternatively there are separate tables now available for the first time for general city, fire, and police. He said both the combined table and separate tables result in lower benefits, based upon mortality, investment return, and differences in COLA provision among the different employment classes. Mr. Allen proposed that any adopted factors would go into effect next year after ERS receives them from the actuary, MERITS is updated and tested and members receive adequate notice of the change, probably in the Spring. Mr. Chochon stated the various tables blend mortality rates across both genders to come up with a unisex mortality assumption for the three different groups. Discussion ensued. Mr. McClain said the City Attorney's Office has prepared a legal opinion on this matter and the Board would receive a copy of the opinion. He said there are three conclusions in the opinion, the first being that Chapter 36 grants the Board exclusive administrative authority over actuarial tables and the Board is required to adopt new mortality tables every five years, and the second being multiple tables would not violate the concept of equity among the plan members which is reflected in the duty of impartiality where one individual beneficiary or group of beneficiaries is not treated more favorably than another. Mr. McClain said the third conclusion was in regard to collective bargaining issues where the collective bargaining agreements maintained by the City effectively prohibit the unilateral modification of any pension benefit where pension benefits are defined as those benefits that exist pursuant to Chapter 36. He noted the tables are applicable to survivorship benefits where the survivorship benefit is required to be reduced to the actuarial equivalent of a beneficiary's normal service retirement benefit. Mr. McClain concluded that no collective bargaining considerations would prohibit the Board from using multiple tables, which is consistent with state law which provides that pension beneficiaries do not have the right of administration of the Pension Trust. Mr. Bell said he favored continued use of a combined table for all members and Mr. Heling agreed. Mr. Bell then called for a motion to that effect and Mr. Heling moved to adopt the combined table alternative referenced in the actuary's presentation. Mr. Bell called for a second on the motion. Extensive discussion then ensued. Mr. Bell asked Mr. Kovac for any opinions or comments and Mr. Kovac replied that he would second the motion to adopt the separate tables outlined in the actuary's presentation. Mr. Bell advised him that the motion before the Board was for the combined table alternative. Mr. Kovac indicated he would not second that motion and put forth a motion to adopt the separate tables outlined in the actuary's presentation. Mr. Bell then said there was no second on the motion for a combined table and recognized Mr. Kovac's motion in favor of separate tables. Mr. Bell called for a second on Mr. Kovac's motion and Ms. King did so. The motion for separate tables was unanimously carried, to approve the New Actuarial Tables for Pension Benefits – Presentation by Cavanaugh Macdonald with the decision by the Board to use separate tables for general and public safety employees for the Plan's new actuarial tables, effective pending receipt of the table data from the actuary, uploading and testing the table data in MERITS and provision of adequate notice to members prior to implementation in the Spring.

At this point, Mr. Bell returned the meeting to order to the Approval of Minutes.

Approval of Minutes.

Regular Meeting Held October 24, 2023. It was moved by Mr. Konrad, seconded by Ms. Ford, and unanimously carried, to approve the minutes of the Regular Meeting Held October 24, 2023.

Chief Investment Officer Report. As a matter of information, Board members received the November 28, 2023 Performance Update. Mr. Sauer said the Fund as of October 31, 2023, had a value of \$5.33 billion. He said the Fund had a -1.9% return in October, net of fees, and underperformed the blended benchmark by approximately seven basis points. Mr. Sauer

commented the main relative performance drivers were Manager Selection, with Real Estate detracting 10 basis points and Reams detracting seven basis points. Regarding Public Equity he noted that the portfolio's value and small cap biases detracted 16 basis points and that 10 of 11 mandates outperformed, adding 21 basis points. He added the Fund has underperformed the benchmark in the year-to-date and one-year periods, while outperforming in the five-, 10-, 15- and 20-year periods. Mr. Sauer remarked as of November 27, 2023, the net of fee Fund return was up 4.4% month-to-date, 6.3% year to date, and the Fund value was \$5.57 billion. He noted 10 of the Fund's 16 active mandates are outperforming year-to-date, and the Fixed Income and Real Assets asset classes are outperforming their respective benchmarks year-to-date. He said year-to-date the Fund has seen a gain in the value of investments of \$350.1 million, paid benefits and expenses of \$406.8 million, and received contributions of \$157.9 million. Mr. Sauer concluded that the Fund's current cash balance is sufficient to cover November's benefit payments so no manager withdrawals will be made in November.

Mr. Silber said an Investment Committee packet will be going out Friday for next Thursday's meeting. He noted there would be three approval items, a Loomis Sayles follow-up, a possible Private Equity side letter, and an Investment Statement of Investment Policy Update. He said Callan would be here to give a Real Estate performance update for the Fund. Discussion ensued.

Investment Committee Report. Mr. Klusman reported that at the November 9th meeting, Callan provided a 2024 Work Plan to the Committee, and staff shared its tentative 2024 due diligence schedule. He said staff also delivered the Fund's 3rd quarter performance report. Mr. Klusman stated that staff and Callan led a discussion regarding the investment manager guideline changes that Loomis Sayles proposed at the September meeting. He noted that after some discussion, the Committee approved the recommended changes with the exception of the 144-A securities request, which will remain at the current 50% level. Mr. Klusman said the Committee expects to receive further guidance from Callan regarding Loomis Sayles' 144-A securities request at its December meeting. He mentioned the approved changes mainly pertain to the use of derivatives, credit default swaps, and individual bank loans in the portfolio, along with how the securities in the portfolio are rated. Mr. Klusman said the Committee went into closed session to consider the due diligence report and Real Estate manager side letter related to the Real Estate investment manager search the Committee conducted in April, and to discuss a recommendation regarding a Real Estate manager. He noted the Committee then went into open session to approve the Real Estate manager side letter and to approve the recommendation regarding a Real Estate manager. Mr. Klusman concluded that the Investment Committee recommends approval of the following items – one, approval of the proposed Real Estate Manager side letter, two, approval of recommendation regarding a Real Estate manager, and three, approval of Loomis Sayles Guideline Change.

Approval of Real Estate Manager Side Letter.

Approval of Recommendation regarding Real Estate Manager.

Approval of Loomis Sayles Guideline Change.

It was moved by Mr. Heling, seconded by Mr. Konrad, and unanimously carried, to approve the Investment Committee Report, including the items listed for approval with approval of Real Estate manager side letter, approval of recommendation regarding a Real Estate manager, and approval of Loomis Sayles Guideline Change.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (III.A. and III.B.) as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

Mr. Bell noted that the Annuity & Pension Board did not convene in closed session as noticed.

New Business.

Retirements, Death Claims, and Refunds (October). Mr. Allen presented the following activity for the months of October 2023.

Administrative Withdrawal	\$0.00
Full Refund	\$0.00
Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$63,390.38
Retired Death Benefits reported	\$25,810.17
Survivor Death – Termination Benefits reported	\$10,898.34
Refund of Member Contributions paid	\$200,749.39

It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the Retirements, Death Claims, and Refunds report for (October 2023).

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item (IV.B.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

Proposed Amendment of Board Rule – Retirement and Death Benefits XVII.E.4.

It was moved by Ms. King, seconded by Mr. Heling and unanimously carried, to convene in closed session by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Bell, Heling, Klusman, Konrad, and Kovac. NOES: None.

The Board convened in closed session at 10:15 a.m.

The Board reconvened in opened session at 10:45 a.m.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item (IV.C.), as provided in Section 19.85(1)(e), Wisconsin State Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other

specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

Proposed Amendment of the Contract with BakerTilly.

It was moved by Mr. Klusman, seconded by Ms. Ford and unanimously carried, to convene in closed session by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Bell, Heling, Klusman, Konrad, and Kovac. NOES: None.

The Board convened in closed session at 10:46 a.m.

The Board reconvened in opened session at 11:15 a.m.

In closed session and reported in open session, it was moved by Mr. Konrad, seconded by Ms. Sawa, and unanimously carried, to approve the Proposed Amendment of the Contract with BakerTilly.

Conference Requests – November 2023 Board Meeting.

Erich Sauer,	Due Diligence
Thomas Courtright	
Sponsor:	CastleArk
Location:	Chicago, IL
Date(s):	January 4, 2024
Estimated Cost:	\$75.00 per person

It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Conference Requests – November 2023 Board Meeting.

Proposed 2024 Board and Committee Meeting Dates. Mr. Bell noted the July 23, 2024 Board Meeting is scheduled at the conclusion of the Republican National Convention (RNC) and it might be a good idea to reconsider the proposed schedule. He noted the RNC dates are restricted through July 21st for public safety employees. Discussion ensued.

It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the Proposed 2024 Board and Committee Meeting Dates with the exception of changing the July 23, 2024 Board Meeting to July 30, 2024.

Medical Reports.

All Duty & Ordinary Disability Applications & Re-examinations (November). Mr. Petropoulos presented certifications (November 2023) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Police – Application – Duty</u>	<u>Recommendation</u>
Kristopher Sardina Effective 03/28/2023	Approval

<u>Police – Application – Ordinary</u>	<u>Recommendation</u>
Kristopher Sardina	Denial
<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Angela July	Approval
Stacy Lopez-Devereaux	Approval
Christopher Manney	Approval
Natasha Padgett	Approval
Corliss Shaw	Approval
Chad Steppke	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Kenneth Berget	Approval
Chad Hendricks	Approval
Scott Hoth	Approval
Thomas Locke	Approval
Bruce Rightmyre	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Michael Jasso	Approval
<u>GC – Re-examinations – Duty</u>	<u>Recommendation</u>
Tina Swanson	Approval
<u>GC – Application – Ordinary</u>	<u>Recommendation</u>
Craig Maier	Approval
Effective 06/18/2023	

It was moved by Ms. King, seconded by Mr. Bell, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations (November).

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain reiterated that he would distribute the Joint and Survivor Benefits Factors Legal Opinion as soon as the finalized copy is available and would be distributed to the Board Members via e-mail this week

Pending Legislation Report. Mr. Allen said there was nothing new to report this month.

Executive Director’s Report – Inventory of ERS Projects. As a matter of information, Staff presented a report on the ERS projects and updated the Board on ERS activities, a copy of which is on file with the ERS. Discussion ensued.

Informational.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

Mr. Bell stated the Board did not convene in closed session as noticed.

- 1) Pending Litigation Report.
- 2) Conferences.
- 3) Class Action Income 2023 YTD.
- 4) Adjusted Quarterly Cost Basis of Equity.
- 5) Minutes of the Administration & Operations Committee Meeting Held October 18, 2023.
- 6) Minutes of the Investment Committee Meeting Held November 9, 2023.

The following is a list of activities since the last Board meeting, copies sent with meeting notice and attached to minutes:

- 7) Report on Bills.
- 8) Deployment of Assets.
- 9) Securities Lending Revenue and Budget Report.
- 10) Preliminary Performance Report and Asset Allocation.

Mr. Bell accepted and placed the Informational items on file.

There being no further business to come before the meeting, it was moved by Ms. Ford and seconded by Ms. Sawa, to adjourn the meeting.

Mr. Bell adjourned the meeting at 11:37 a.m.

Bernard J. Allen
Secretary and Executive Director

NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)

II.

CHIEF INVESTMENT OFFICER REPORT

Milwaukee Employees' Retirement System - December 19, 2023

Fund as of November 30, 2023

*Fund value of \$5.55b.

*Fund return of 4.8% in Nov., gross of fees, underperformed by approximately 33bp.

*Primary Relative Perf. Drivers:

Overall Allocation -22bp
Underweight public equity, overweight private equity and absolute return

Manager Selection

JP Morgan -7bp

*Fund has underperformed the benchmark in the YTD and 1-year periods, while outperforming in the 5, 10, 15, and 20-year periods.

Dec. Update (as of 12/12/23)

*Fund return 0.8% MTD

*Fund return 7.5% YTD

*Fund value \$5.60b

10 out of 16 active mandates outperforming YTD.

*Fixed Income and Real Assets asset classes outperforming their respective benchmarks YTD.

*Investment Change: \$419.9m

*Benefits & Expenses: 445.9m

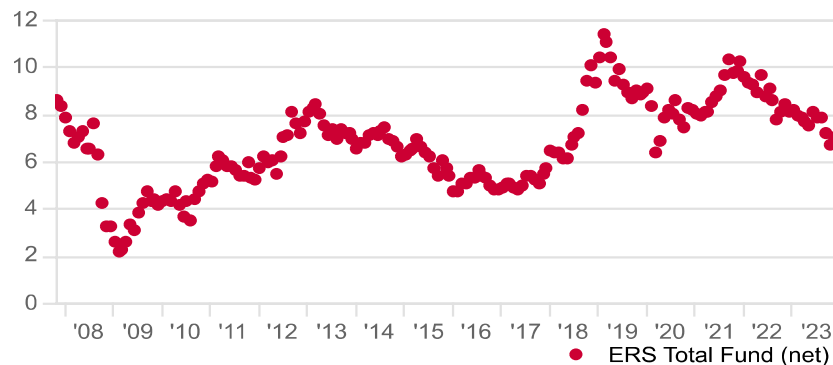
*Contributions: 159.2m

Monthly Withdrawals:

BlackRock Government Bond index - \$47m

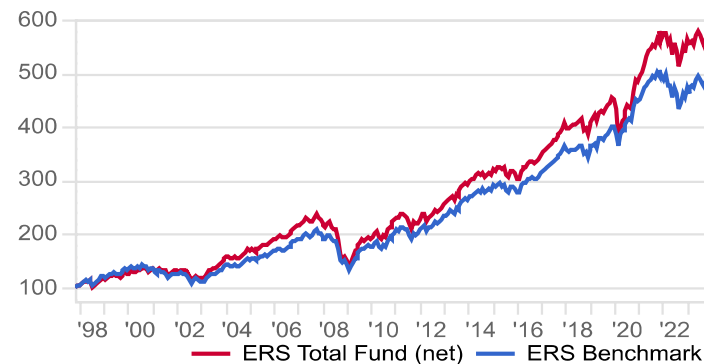
Total Fund - 10-Year Rolling Returns

11/28/1997 to 11/30/2023



Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 11/30/2023



Return Data

Source Data: Monthly Return

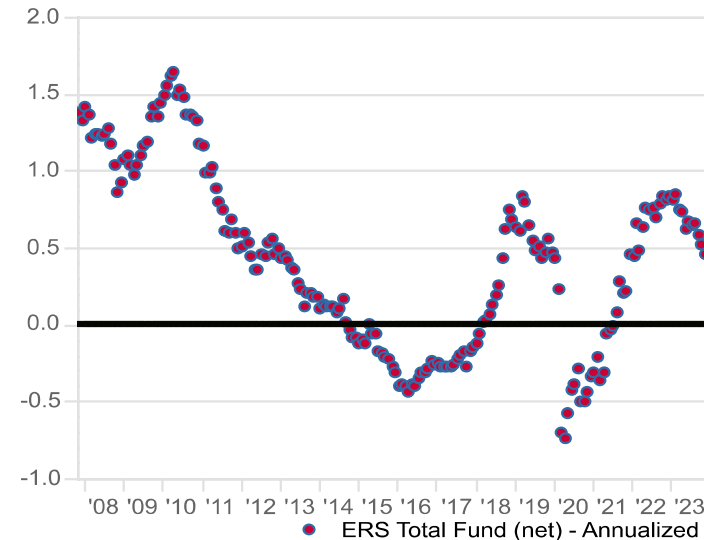
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	4.8	6.7	4.8	7.7	7.0	9.2	7.1
ERS Benchmark	5.2	9.3	6.9	7.0	6.6	8.5	6.8

Total Fund - 20-Year Risk & Return Data

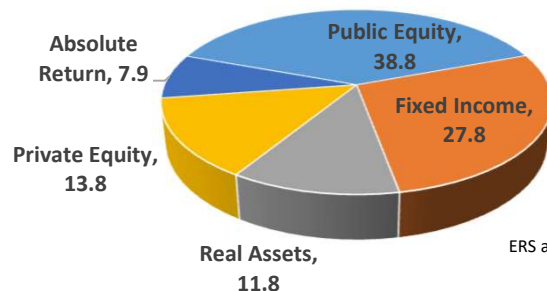
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.1	10.3	2.5	0.1	0.6	-0.2	1.1
ERS Benchmark	6.8	9.2	--	--	0.6	0.0	1.0

Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 11/30/2023

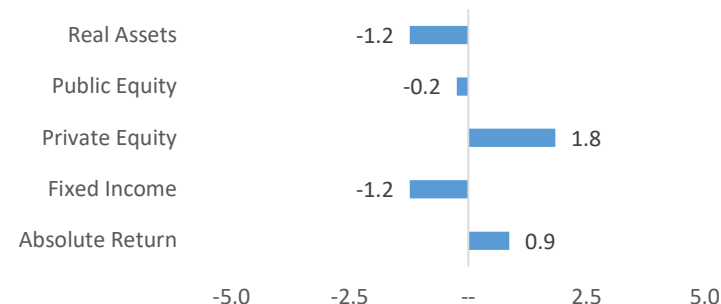


ERS Allocation as of November 30, 2023



ERS allocation weights may not total 100% due to rounding

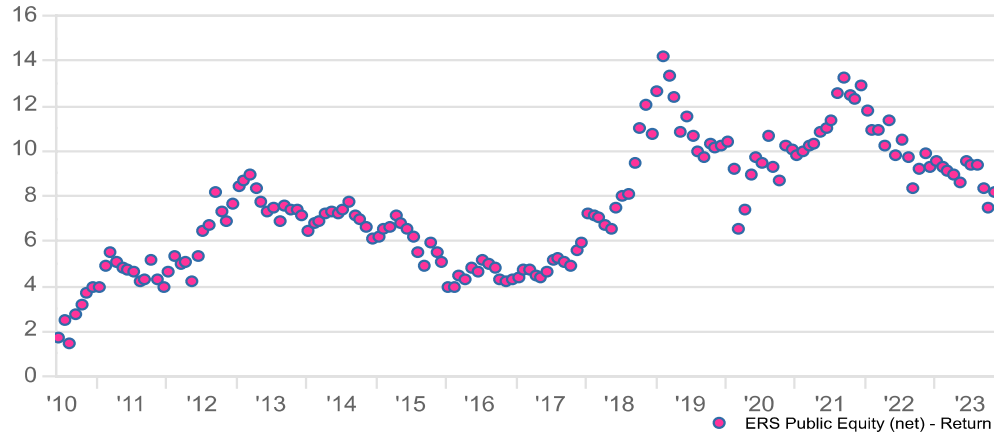
Asset Allocation vs Policy as of November 30, 2023



Milwaukee Employees' Retirement System - December 19, 2023

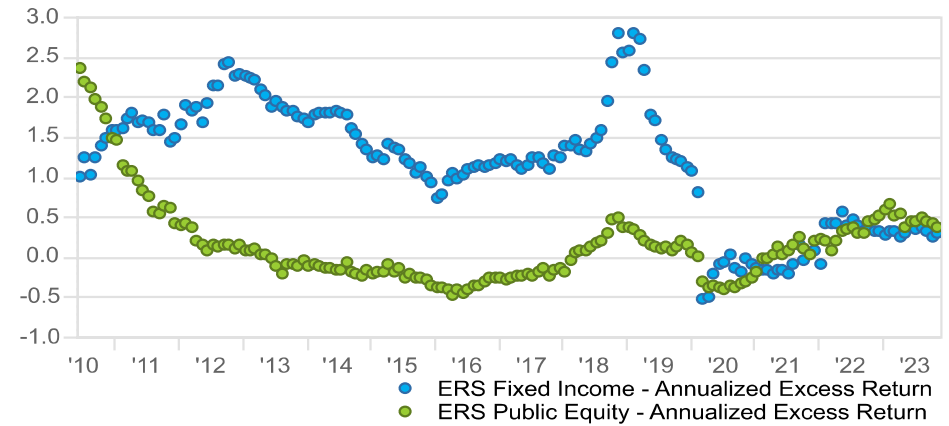
Public Equity - 10-Year Rolling Returns

06/30/2000 to 11/30/2023



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 11/30/2023

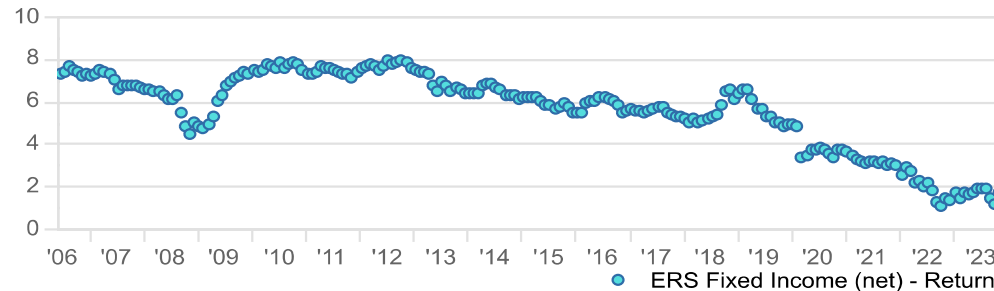


Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	9.2	14.9	11.5	9.6	8.5	11.4	8.1
Public Equity (net)	9.2	14.6	11.1	9.2	8.2	11.1	7.8
Public Equity Benchmark	9.2	15.5	11.1	8.7	7.8	10.5	7.6
MSCI ACWI IMI NR USD	9.2	15.5	11.1	8.7	7.4	10.2	7.7

Fixed Income - 10-Year Rolling Returns

06/28/1996 to 11/30/2023



Return Data

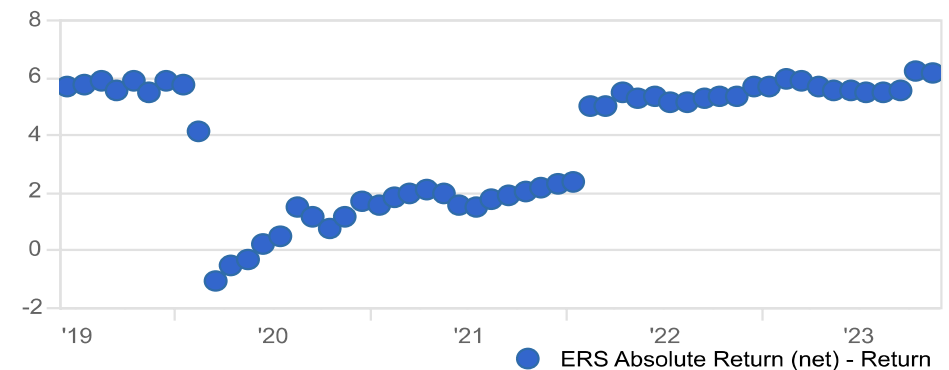
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	4.8	2.7	2.3	1.1	1.8	4.8	4.2
Fixed Income (net)	4.8	2.6	2.2	1.0	1.7	4.7	4.1
Bbg US Agg Bond TR USD	4.5	1.6	1.2	0.7	1.4	2.7	3.0

Risk Adjusted Returns (6/30/14 - 11/30/23)

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	7.8	15.7	0.4	-25.3
Fixed Income (net)	1.3	6.5	0.0	-13.6
Absolute Return (net)	5.5	9.5	0.4	-27.1

Absolute Return - 5-Year Rolling Returns

06/30/2014 to 11/30/2023



Return Data

	1 Month	YTD	1 Year	3 Year	5 Year	7 Year
Absolute Return (net)	0.3	4.8	6.9	13.2	6.1	5.7
90-Day T-Bill + 3%	0.7	7.6	8.3	5.3	4.9	4.8

III.

INVESTMENT COMMITTEE REPORT

- A. Approval of Loomis Sayles Guideline Change.
- B. Approval of Statement of Investment Policy Update.

Manager: Loomis, Sayles & Company
Role: Opportunistic Fixed Income

Objectives and Guidelines

Investment Objectives

Time Horizon	Performance Standard	
	<u>Universe</u>	<u>Index</u>
Less than one market cycle (rolling 3-year periods).	Rank in upper 50% of a Peer Group. ¹	
One market cycle (rolling 5-year periods).	Rank in the upper 40% of a Peer Group ¹	Exceed (after fees) the Benchmark Index + 1.0%. ²

Investment Guidelines

- The effective duration of the aggregate portfolio should be no less than 50% and no more than 250% of the Bloomberg Barclays US Aggregate Index.
- Up to 20% of the market value of the portfolio may be issues rated B- by Standard and Poor's and Fitch or B3 by Moody's. If the ratings assigned to an instrument by Standard & Poor's, Moody's, and/or Fitch are not the same, the highest rating of these ratings agencies will be used.
- If an instrument is not rated by Standard & Poor's, Moody's, and Fitch, the equivalent rating determined by the Loomis Sayles Research Department will be used.
- An additional 5% may be invested in issues not rated by Standard & Poor's, Moody's, and Fitch..
- Loomis must notify ERS of the downgrade of corporate, non-corporate and 144(a) securities below B- or B3 by Standard and Poor's, Moody's Investors Service and Fitch within three (3) business days. Loomis must provide quarterly credit updates so long as it retains the security(ies). Corporate, non-corporate and 144(a) securities rated below B- and B3 by Standard and Poor's, Moody's Investors Service and Fitch may not exceed 3% of the market value of the portfolio.
- Asset-backed securities that are downgraded below BBB- or Baa3 by Standard and Poor's, Moody's Investor Services and Fitch must be sold within 90 days following the downgrade. Loomis must notify ERS of the downgrade in writing within 3 business days and provide a written update to ERS on the downgraded security on a weekly basis.
- The average quality of the portfolio must be BBB-/Baa3 or better. U.S. Treasury and U.S. Federal Government Agency securities are permissible and will be treated as AAA/Aaa rated for purposes of average quality calculations.
- No security, except securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, or index derivatives will comprise more than 5% of the portfolio, at the time of purchase.

- Up to 20% of the market value of the portfolio may be invested in total equities (common and preferred) as determined at the time of purchase. Common stock shall be limited to 5% of the market value of the portfolio, as determined at the time of purchase.
- Sector limitations (as a percentage of the portfolio's market value) are limited to the following ranges:

Sector	Min	Max
US Treasuries	0%	100%
US Agencies	0%	50%
Corporates	0%	100%
Mortgage-Backed Securities	0%	50%
Asset-Backed Securities, including a 5% sub-limit in Collateralized Loan Obligations	0%	25%
Investment Grade Yankees and Non-Corporates ⁽³⁾	0%	25%
Non-Investment Grade Yankees and Non-Corporates ⁽³⁾	0%	20%
Non-US Dollar / Non-Canadian Dollar	0%	20%
144(a) Securities	0%	50% 65%
Individual Bank Loans*	0%	15%
Canadian Dollar Issues	0%	20%
Eligible derivatives include currency forwards (deliverable and non-deliverable) ⁽⁴⁾ and US Treasury Futures ⁽⁵⁾	N/A	N/A
Long-only (sell protection) Index Credit Default Swaps	0%	30% ⁽⁶⁾

- Minimum credit ratings for individual holdings, specific to the sectors, are as follows:

Sector	Minimum Rating
Corporates & Non-Corporates	B-/B3
Asset-Backed Securities	BBB-/Baa3
Collateralized Loan Obligations	BB-/Ba3
144(a) Securities	B-/B3
Cash equivalents, commercial paper and repurchase agreements	A1/P1

¹ As measured by the Callan Core Opportunistic Fixed Income Peer Group

- ² As measured by the Bloomberg Aggregate Index
- ³ Canadian issued bonds do not count towards the Yankee limit.
- ⁴ Currency forwards may be used for hedging purposes only.
- ⁵ US Treasury Futures may be used for both hedging and non-hedging purposes. Derivatives used to manage duration, interest rate and yield curve strategies may require notional amounts in excess of the portfolio's market value. US Treasury Futures will be limited by the duration restriction of the portfolio.
- ⁶ Notional limit of 30%. Index credit default swaps shall not be used to create leverage or for speculative purposes and will be calculated at their notional value for guideline purposes. Liabilities resulting from CDX must be fully collateralized by cash, cash equivalents and U.S Treasuries.

* Investment in individual bank loans will generate a transaction cost associated with both the purchase and sale of these loans. The counterparty on these trades determines how they will settle and most choose ClearPar. ClearPar is the primary platform and supported by most banks. Bank loans that do not settle on this platform are prohibitively labor intensive and it is not likely many trades will occur away from the ClearPar platform.

Portfolios participating in a bank loan trade will be charged by ClearPar a pro-rata share of the trade (a "subtrade"). ClearPar will deliver the invoice to the Loomis and, in turn, Loomis will deliver this invoice to your custodian to pay from the assets of the portfolio. While you may elect to pay the invoice directly, directing the custodian to pay the invoices from the portfolio assets will facilitate proper performance calculations for your portfolio. As of the current date, the subtrade fee structure is as follows:

Subtrades per Master Trade	Subtrade Fee per Subtrade
1-5	\$19
6-21	\$110 divided by number of subtrades
22 or more	\$5

There is also a volume discount schedule that is applied once trades on the platform exceed 5,000.

**EMPLOYEES' RETIREMENT SYSTEM OF
THE CITY OF MILWAUKEE**

LOOMIS, SAYLES & COMPANY, L.P.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Memorandum

To: CMERS Investment Committee
From: David M. Silber, CFA, CAIA
Date: December 1, 2023
Re: Approval of Statement of Investment Policy Update

Attached for the CMERS Investment Committee's review are red-line changes that, if approved, would provide Staff with more flexibility to manage the Fund's cash flows. The proposed changes have both Staff and Callan's support.

Beginning as early as January 2024, CMERS anticipates receiving more than \$200 million in contributions per year for the foreseeable future. It is possible, if not likely, that most of the contributions that the Fund will receive each year will arrive on the same day. The Fund's Statement of Investment Policy (Policy), as currently written, doesn't allow the Fund to hold more than 2% in the Northern Trust (custodian) Cash account. Thus, if no modifications are made to the Policy, Staff will have no choice in January but to immediately invest the amount of the contributions that push the Fund's cash balance above 2% into stock and/or bond managers.

The proposed changes to the Policy would provide Staff with the flexibility it seeks to use its discretion to implement what it determines to be the best use of the contributions at the time they are received. For example, short-term interest rates are currently much more compelling than they have been compared to the previous 15 years, and the Northern Trust cash sweep vehicle where the Fund's cash is invested (called the Government Short Term Investment Fund) earned an annualized yield of 5.41% as of October 31, 2023. Staff believes there may be instances when it is appropriate to keep a portion, or all, of the contributions the Fund receives in Cash with the intention of using the money to pay upcoming benefit payments (which are now approximately \$40 million per month), as opposed to experiencing the transaction costs and short-term market volatility that are incurred when contributions are invested immediately and then withdrawn a couple of months later to pay benefits. To accommodate this potential scenario, one of the proposed edits to the Policy is to raise the maximum Fund Cash balance allowed from 2% to 5%.

The remaining changes proposed in the Policy are included to strive to better reflect the many considerations that Staff balances when managing the Fund's cash flows, whether it has to do with restructuring the Fund following allocation decisions made by the Board, raising cash to pay Fund obligations such as benefits, capital calls, and expenses, or deploying cash during the rare instance when the Fund has a cash-flow positive month.

Ultimately, markets are volatile, the Fund's investment allocations are constantly changing, and the course of action that Staff determines is appropriate for managing cash flows may be very different from month to month, let alone from year to year. Staff and Callan believe that the proposed changes to the Policy provide Staff with important flexibility to manage cash flows in various environments, while still maintaining the same disciplined risk framework that has always been an important part of the Policy.

STATEMENT OF INVESTMENT POLICY
Updated ~~June~~ December 2023

**THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF MILWAUKEE**
789 N. Water Street, 3rd Floor
Milwaukee, WI 53202
(414) 286-3557

Individual manager guidelines are updated upon Annuity and Pension Board Approval

To fulfill such responsibilities, the Trustees are authorized and in the case of Investment Managers, required to retain professional experts including but not limited to:

1. **Staff:** The Retirement Staff ("Staff"), as designated by the Board is the agent of the Board. The Board does not delegate investment management responsibility through the use of its Staff. Staff duties include:
 - A. Monitoring Investment Managers for adherence to policies and guidelines.
 - B. Evaluating and managing the relationships with the Investment Consultant to ensure they are providing all necessary assistance to Staff and the Board as agreed to in service contracts.
 - C. Monitoring the Investment Consultant's manager search process, and conducting due diligence on any Investment Manager selected for hire by the Investment Committee that was considered and recommended to ERS by its Investment Consultant.
 - D. Identifying Investment Managers to withdraw funds from, and taking actions ~~necessary~~ to raise cash from the identified Investment Managers to pay Fund benefits, Fund expenses, and Fund capital call commitments, as necessary. ~~Given that~~ There are many factors ~~that are to~~ considered when deciding how much money to withdraw from Investment Managers ~~at a given time~~, including but not limited to liquidity management plans that arise during stock market downturns that often result in elevated withdrawals from Fixed Income and/or index funds, and Staff retains discretion in ~~their~~ planning and implementation of this process raising funds from Investment Managers. That said, Working within the parameters of the asset allocation ranges and structures incorporated within this Statement of Investment Policy, Staff will strives to minimize the subjectivity involved in raising funds by taking actions that are consistent implementing a process that works within the long-term risk and return objectives approved in the most recent Asset-Liability Study. framework of the target allocations stated within the Investment Policy, the Liquidity Analysis memo dated February 9, 2023, and each asset allocation's respective structure. Staff will include a report on cash activity at ~~the~~ regularly scheduled Board meetings.
 - E. In the rare instance when the Fund has a cash-flow positive month (i.e. contributions are greater than cash outflows), Staff retains discretion to decide whether to invest contributions in cash with the intention of using the contributions to pay upcoming benefit payments, or to may deposit funds withinto Investment Managers, or some combination of both. Working within the parameters of the asset allocation ranges and structures incorporated within this Statement of Investment Policy, Staff strives to minimize the subjectivity involved in the planning and implementation of this process by taking actions that are consistent with the long-term risk and return objectives approved in the most recent Asset-Liability Study. if their strategy is below the target allocation approved within each asset allocation's respective structure or the Liquidity Analysis memo dated February 9, 2023. Staff will include a report on cash activity at ~~the~~ regularly scheduled Board meetings.

E.F. Restructuring the portfolio following manager terminations, changes to the Fund's strategic asset allocation targets, and changes to an asset class's structure, with the assistance of its Investment Consultant and Investment Manager(s).

F.G. Organizing and/or participating in any special research required to manage the Fund more effectively and in response to any questions raised by the Board.

G.H. Supporting the Board in the development and approval of the Investment Policy Statement, implementing the Policy Statement and reporting at least monthly on investment activity and matters of significance.

I. Ensuring the Investment Managers conform to the terms of their contracts and that performance monitoring systems are sufficient to provide the Board with timely, accurate and useful information.

H.J. Performing on-site (or video conference, when conditions do not allow for travel) due diligence meetings with ERS Investment Managers every two years or as required by the Board in accordance with Board Rules and Regulations section – Duties of the Chief Investment Officer.

I.K. With the advice of the City Attorney's Office, and outside legal counsel when the City Attorney's Office deems necessary, approve and execute ministerial Private Real Estate and Private Equity contract amendments, pursuant to MCO 36-09-1(d5), under the following conditions:

- Use of delegated authority must be consistent with any Real Estate and Private Equity investment plan or strategy approved or adopted by the Board. For the avoidance of doubt, the prudent manner may not always be the quickest manner. Specific to Private Real Estate only, the use of delegated authority must be consistent with the philosophy that CMERS' ultimate goal is to transition its Real Estate portfolio to 4-5 commingled, open-end fund managers in a prudent manner;
- Delegated authority may not be used to execute any contract amendments that may be reviewed and executed within the confines of the regular Board schedule;
- Delegated authority cannot be used to execute legal documents for a new Real Estate or new Private Equity vehicle;
- Delegated authority cannot be used to agree to terms that are more disadvantageous than what's already included in the existing agreement (with the exception of term extensions mentioned in the next bullet point);
- Staff may not use delegated authority against the advice of CMERS' Investment Consultant or the City Attorney's Office;
- Staff or the City Attorney's Office will report to the Board, at the next Board meeting when possible, on actions taken under this plan (including fees);
- CMERS Executive Director may sign amendments executed under this delegation of authority on behalf of the Board;
- Board may revoke the delegated authority at any time.

TARGET ALLOCATIONS

The Board has determined that the following asset allocation policy is appropriate for the Fund. This allocation policy will be reviewed periodically and may be modified, if appropriate, in light of changes in the structure or goals of the Fund.

<u>Public Equity</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity			
Passive Large Cap	6.9%		
Active Large Cap	4.4%		
Active Mid/Small Cap	6.2%		
Total Domestic Equity	17.5%	13.5%	21.5%
Total International Equity	13.7%	10.7%	16.7%
Total Global Equity	7.8%	3.8%	11.8%
Total Public Equity	39%	34%	44%
<u>Fixed Income</u>			
Cash	1%	0%	25.0%
Passive Fixed Income	7.2%		
Core Opportunistic Fixed Income	20.8%		
Total Fixed Income	29%	17.5%*	32%
<u>Real Assets</u>			
Private Real Estate	9.7%		
Public Diversified Real Assets	3.3%	1.3%	5.3%
Total Real Assets	13%	10%	16%
<u>Private Equity</u>	12%	9%	17%
<u>Absolute Return</u>	7%	4%	12%
<u>Total</u>	<u>100%</u>		

*Fixed Income Minimum range lowered on an Interim basis to 17.5% in November 2022 for the purpose of providing Staff with additional flexibility to make monthly benefit payments to beneficiaries. Absent further action, the Minimum Fixed Income range will revert back to 26% on January 31, 2024.

STATEMENT OF INVESTMENT POLICY
Updated December 2023

**THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF MILWAUKEE**
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 - C. Monitoring the Investment Consultant's manager search process, and conducting due diligence on any Investment Manager selected for hire by the Investment Committee that was considered and recommended to ERS by its Investment Consultant.
 - D. Identifying Investment Managers to withdraw funds from, and taking actions to raise cash from the identified Investment Managers to pay Fund benefits, Fund expenses, and Fund capital call commitments, as necessary. There are many factors to consider when deciding how much money to withdraw from Investment Managers, including but not limited to liquidity management plans that arise during stock market downturns that often result in elevated withdrawals from Fixed Income and/or index funds, and Staff retains discretion in the planning and implementation of this process. Working within the parameters of the asset allocation ranges and structures incorporated within this Statement of Investment Policy, Staff strives to minimize the subjectivity involved in raising funds by taking actions that are consistent with the long-term risk and return objectives approved in the most recent Asset-Liability Study. Staff will include a report on cash activity at regularly scheduled Board meetings.
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Passive Large Cap	6.9%		
Active Large Cap	4.4%		
Active Mid/Small Cap	6.2%		
Total Domestic Equity	17.5%	13.5%	21.5%
Total International Equity	13.7%	10.7%	16.7%
Total Global Equity	7.8%	3.8%	11.8%
Total Public Equity	39%	34%	44%
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	7.2%		
Core Opportunistic Fixed Income	20.8%		
Total Fixed Income	29%	26%	32%
<u>Real Assets</u>			
Private Real Estate	9.7%		
Public Diversified Real Assets	3.3%	1.3%	5.3%
Total Real Assets	13%	10%	16%
<u>Private Equity</u>	12%	9%	17%
<u>Absolute Return</u>	7%	4%	12%
<u>Total</u>	<u>100%</u>		

IV.

NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (November).
- B. Conference Requests – December 2023 Board Meeting.

Board Report - November 2023

Retirements

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	THORNTON	ANGELA	7/3/2020	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	PASZKOWSKI	GUY	7/18/2023	100	BUREAU OF SANITATION
Regular	Early	FAHRINGER	KIM	8/10/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BIRENBAUM	BAMBI-LYNN	8/27/2023	MAX	PARKING
Regular	Service	CADLE	AARON	10/3/2023	100	COMMON COUNCIL - CITY CLERK
Regular	Deferred	HERRING	ANTHONY	10/9/2023	100	DPW-OPS-FLEET SERVICES
Regular	Service	VANDENBOOM-HURLEY	KATHLEEN	10/9/2023	50	LIBRARY - CENTRAL LIBRARY
Regular	Service	ANDERSON	KIM	10/11/2023	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BISKUPSKI	KIM	10/12/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MONTEILH	DWAIN	10/13/2023	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	X	JUTIKI	10/13/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	WELCH	ROBERT	10/14/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	LEBRON	DOLCA	10/18/2023	MAX	DPW-WATER-LINWOOD
Regular	Deferred	GOMEZ	RODOLFO	10/20/2023	59	MPD - ADMINISTRATION
Regular	Deferred	LEWANDOWSKI	SHANNON	10/21/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	RODGERS	CARMEN	10/21/2023	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	MALONE	STEPHAN	10/22/2023	100	DPW-WATER-DISTRIBUTION
Regular	Service	SNOWDEN	IVORY	10/24/2023	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	OGLIN	STEVE	10/25/2023	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	BROMBEREK	LINDA	10/28/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	INGRAM	JAMES	10/28/2023	MAX	CITY OF MILWAUKEE
Regular	Service	RYDELL	CRAIG	10/28/2023	50	FIRE - FIREFIGHTING
Regular	Service	SUNN	JEFFREY	10/29/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	XIONG	THOMAS	10/30/2023	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	JOHNNIKIN	ANDRE	10/30/2023	MAX	DPW-INFRASTRUCTURE-BRIDGES & BLDGS
Regular	Deferred	KEEN	CAROL	11/1/2023	MAX	DEPT OF CITY DEVELOPMENT
Regular	Deferred	TYLKE	SUSAN	11/1/2023	100	DPW-WATER-BUSINESS
Regular	Service	GLINSKI	SCOTT	11/1/2023	100	FIRE - FIREFIGHTING
Regular	Service	SCHMIDTKE	PENNY	11/1/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	SMITH	SHANE	11/1/2023	50	FIRE - FIREFIGHTING

Board Report - November 2023
Deaths

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Termination	DUKES	FLORENCE	8/20/2023	11/30/2023	\$ 1,677.17
Retiree Death-Termination	GALONSKI	DORIS	8/30/2023	11/30/2023	\$ 2,358.69
Retiree Death-Termination	GORSKI	HARRY	9/29/2021	11/30/2023	\$ 166.75
Retiree Death-Termination	GRAFF	DEBRA	6/23/2022	11/30/2023	\$ 382.18
Retiree Death-Termination	HOPGOOD	RICHARD	9/22/2023	11/30/2023	\$ 3,886.43
Retiree Death-Termination	KRAUSE	HERBERT	9/23/2023	11/30/2023	\$ 2,611.17
Retiree Death-Termination	LIND	LAWRENCE	9/18/2023	11/30/2023	\$ 2,786.23
Retiree Death-Termination	MAHNKE	STEVEN	8/13/2023	11/30/2023	\$ 1,169.25
Retiree Death-Termination	O'KELLEY	SHIRLEY	9/22/2023	11/30/2023	\$ 442.13
Retiree Death-Termination	POPKE	NORMA	9/8/2023	11/30/2023	\$ 55.63
Retiree Death-Termination	SHEEHAN	EDITH	10/7/2023	11/30/2023	\$ 76.54
Retiree Death-Termination	STOLLBERG	JANE	9/19/2023	11/30/2023	\$ 260.95
Retiree Death-Termination	TEETZ	JEANINE	6/18/2023	11/30/2023	\$ 1,192.60
Retiree Death-Termination	WEISS	DELORES	5/28/2023	11/30/2023	\$ 492.83
Retiree Death-Termination	WESLEY	LUCILLE	10/4/2023	11/30/2023	\$ 70.63
Retiree Death-Termination	WIRTH	DONALD	9/15/2023	11/30/2023	\$ 895.69
Retiree Death-Termination	ZENTGRAF	RUTH	6/23/2023	11/30/2023	\$ 68.37
Surv Death-Termination	CARTER	DOROTHY	5/10/2022	11/30/2023	\$ 258.26
Surv Death-Termination	DORO	LUCILLE	6/23/2021	11/30/2023	\$ 2,107.14
Surv Death-Termination	JANCZAK	ARLINE	7/18/2023	11/30/2023	\$ 1,466.72
Surv Death-Termination	LOCHE	DOLORES	7/1/2021	11/30/2023	\$ 40.12
Surv Death-Termination	POWELSKI	BERNICE	3/31/2022	11/30/2023	\$ 303.00
Surv Death-Termination	STRZELCZYK	GERDA	7/29/2023	11/30/2023	\$ 344.74
Surv Death-Termination	WHITE	KATHLEEN	9/21/2023	11/30/2023	\$ 210.84
Surv Death-Termination	ZENTGRAF	RUTH	6/23/2023	11/30/2023	\$ 902.59

TOTAL \$ 24,226.65

Retiree Death-Cont Opt	BEHNING	DOUGLAS	10/20/2023	11/1/2023
Retiree Death-Cont Opt	BORKOWSKI	JAMES	10/29/2023	11/1/2023
Retiree Death-Cont Opt	BRETZMAN	JOEL	10/17/2023	11/1/2023
Retiree Death-Cont Opt	DETTMAN	GARY	10/23/2023	11/1/2023
Retiree Death-Cont Opt	LESNIK	PAUL	10/14/2023	11/1/2023
Retiree Death-Cont Opt	MERK	DEBORAH	9/26/2023	11/1/2023
Retiree Death-Cont Opt	PETERSON	CHRISTOPHER	10/31/2023	11/1/2023

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Cont Opt	SCHNEIDER	ELROY	10/21/2023	11/1/2023	
Retiree Death-Cont Opt	THORNE	BARBARA	10/26/2023	11/1/2023	
Retiree Death-Cont Opt	WEIL	FRANK	11/6/2023	11/1/2023	
Retiree Death-Cont Opt	ZAIRE	KAHVYN	11/3/2023	11/1/2023	
Retiree Death-Cont Opt	ZIKMUND	ANTHONY	9/27/2023	11/1/2023	

Board Report - November 2023**Withdrawals**

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	BANKHEAD	IRIAS	11/30/2023 \$	3,024.03
Administrative Withdrawal	HARPER	TAMMY	11/30/2023 \$	226.11
Administrative Withdrawal	HOLMES	LEWIS	11/30/2023 \$	1,757.67
Administrative Withdrawal	KREIS	LORI	11/30/2023 \$	7,818.67
Administrative Withdrawal	MCGINNIS	SARAH	11/30/2023 \$	390.31
Administrative Withdrawal	NEELY	ALEXUS	11/30/2023 \$	487.30
Administrative Withdrawal	NUNN	ZOE	11/30/2023 \$	244.67
Administrative Withdrawal	PETERSON	TERRANCE	11/30/2023 \$	924.51
Administrative Withdrawal	WOJCIK	ALEXANDRIA	11/30/2023 \$	1,906.12
Administrative Withdrawal	WOODS	JUSTIN	11/30/2023 \$	1,854.73
Full Refund	RAMADAN	HAZEM	11/30/2023 \$	8,855.97
Full Refund	WILLIAMS	ANTHONY	11/30/2023 \$	9,618.18
Member Only Refund	CAMARERO CARMONA	VICTOR	11/30/2023 \$	2,500.32
Member Only Refund	DAVIS-NOVOTNY	TALISHSA	11/30/2023 \$	580.80
Member Only Refund	EUBANKS	ALISHA	11/30/2023 \$	1,571.54
Member Only Refund	GOLDWIRE	GABRIELA	11/30/2023 \$	3,494.76
Member Only Refund	HOLT	KIZZY	11/30/2023 \$	738.44
Member Only Refund	HUMPHRIES	ALEXIS	11/30/2023 \$	4,726.03
Member Only Refund	MAXWELL	DAJANAE	11/30/2023 \$	3,208.42
Member Only Refund	MCDANIEL	GLENN	11/30/2023 \$	435.32
Member Only Refund	SAMUELSEN	ERICA	11/30/2023 \$	323.52
Member Only Refund	SCOTT	JOSHUA	11/30/2023 \$	3,536.76
Member Only Refund	SMITH	SHELVEY	11/30/2023 \$	849.92
Member Only Refund	SMOOT	VALERIE	11/30/2023 \$	1,904.30
Member Only Refund	STEMPNIEWSKI	JEFFREY	11/30/2023 \$	1,573.97
Member Only Refund	TIGGS	LYNNYETTA	11/30/2023 \$	2,031.49
Member Only Refund	TOKARSKI	JORDAN	11/30/2023 \$	1,799.53
Member Only Refund	WALLACE	GUQUITA	11/30/2023 \$	1,428.02
Member Only Refund	WILLIAMS	INGRID	11/30/2023 \$	2,754.40

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	WILSON	MORRIS	11/30/2023 \$	1,075.35
Member Only Refund	YIN-STOCKARD	YING	11/30/2023 \$	1,807.42
Member Only Refund	YULIA	ANASTASIA	11/30/2023 \$	2,237.92
TOTAL \$				75,686.50

Conference Requests – December 2023 Board Meeting

Erich Sauer,	DFA and Brandes Due Diligence, and
Thomas Courtright	DFA Annual Institutional Symposium
Sponsor:	DFA and Brandes
Location:	San Diego and Santa Monica, CA
Date(s):	February 26-29, 2024
Estimated Cost:	\$2,250.00 per person

V.

MEDICAL REPORTS

- A. All Duty & Ordinary Disability Applications & Re-examinations (December).

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Panel Approvals Report	DATE RAN :	12/11/2023
Approved by Executive Director	Pension Board Meeting Date 12/19/2023	TIME RAN :	08:41

DOCTOR DECISION

<u>Case Number</u>	<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>Case Type</u>	<u>Case Sub-Type</u>	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability Date</u>	<u>Comments</u>
1087	BIALECKI, ANTHONY	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		06/15/2013	
120	HENRY, ROBERT	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		12/01/2023	Exempt from Re-Exam
462	MILLER, KEITH	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		05/01/2020	Exempt from Re-Exam

Number of Cases: 3

This report includes Fire duty disabilities with an application date prior to July 29, 2016; Police MPA duty disabilities with an application date prior to June 19, 2016; and Police MPSO duty disabilities with an application date prior to January 1, 2016.

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number: 1 OF 1
	Medical Council Approvals Report	DATE RAN : 12/11/2023
	Board Meeting: 12/19/2023	TIME RAN : 08:56

<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>	<u>In Person Exam Waiver</u>
BROWN, DEWAYNE	OPERATION DRIVER WORKER	DEPARTMENT OF PUBLIC WORK	Ordinary Disability	Re-Examination	07/27/2021	12/08/2023	
FORD, DEWREAL	DRIVER/LOADER	DPW-SANITATION	Duty Disability 75%	Re-Examination	09/07/2010	12/08/2023	
KEMP, DORAN	FIREFIGHTER	MILWAUKEE FIRE DEPARTMENT	Duty Disability 90%	Application	06/30/2023	12/08/2023	
KILSDONK, CORY	FIREFIGHTER/EMT	MILWAUKEE FIRE DEPARTMENT	Ordinary Disability	Application	03/07/2023	12/08/2023	
ORY, LAURIE	OFFICE ASST IV	DCD	Ordinary Disability	Re-Examination	12/28/2018	12/08/2023	
WEBSTER-AUSTIN, TERREN	DRIVER/WORKER	DPW-OPERATIONS	Duty Disability 75%	Re-Examination	07/27/2005	12/08/2023	

Number of Cases: 6

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Council Denials Report	DATE RAN :	12/11/2023
	Board Meeting: 12/19/2023	TIME RAN :	08:56

<u>Case Number</u>	<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>	<u>In Person Exam Waiver</u>
1551	KILSDONK, CORY	FIREFIGHTER/EMT	MILWAUKEE FIRE DEPARTMENT	DD 75%	Application	03/07/2023	12/08/2023	
1563	MAYFIELD, ALEX	FIREFIGHTER	MFD	DD 75%	Application	06/30/2023	12/08/2023	

Number of Cases: 2

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

VI.

UNFINISHED BUSINESS

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.
- C. Executive Director's Report – Inventory of ERS Projects.



December 19, 2023 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

05/04/23

Optional Joint and Survivor Benefits

Pension Board has requested a legal opinion on whether it has administrative discretion to determine whether to adopt a combined set of actuarial tables applying to both General City and Public Safety employees and separate sets tables for each employment class and further for beneficiaries eligible for cost of living adjustments distinct from those beneficiaries who are not so eligible.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

None.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

09/22/23

Abbott Capital Private Equity Investors 2024 Vehicle

Investment staff requests legal assistance in negotiation of the Side Letter and Limited Partnership Agreement.

09/25/23 City Attorney's Office has approved referring this matter to Reinhart Boerner Van Deuren SC to conduct the negotiations of the LPA and Side Letter.

11/29/23 Reinhart completed its legal review and negotiations of the Amended LPA and Side Letter.

12/07/23 On Investment Committee agenda for approval pursuant to Board Rule VII.G.2.b.



December 19, 2023 Board Meeting

PENDING LEGISLATION REPORT

PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION

- CCFN 230767** Substitute resolution authorizing city departments to expend monies appropriated in the 2024 city budget for Special Purpose Accounts, Debt Service Fund, Provisions for Employees' Retirement Fund, Delinquent Tax Fund, Common Council Contingent Fund, Grant and Aid Fund, and Special Capital Projects or Purposes.
09/19/23 Common Council assigned file to F&P Committee.
11/29/23 Substitution Resolution drafted.
12/06/23 Committee recommends adoption.
12/12/23 Scheduled for Common Council consideration.

PART 2. PENDING CHANGES TO THE RULES & REGULATIONS

None.

PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS

Pension Contribution Offset

12/13/16 ERS requested legal guidance on whether the 5.8% pension contribution offset for public safety employees pursuant to recent labor contract settlements or interest arbitration, is includable as "salary" for adjusting duty disability retirement allowance.
02/16/17 City Attorney issued a legal opinion advising that since members receiving a duty disability retirement allowance have not paid the member contributions, they are not entitled to the 5.8% pension contribution offset.
02/27/17 Opinion referred to Legislative Committee for consideration on whether the pension contribution offset received by general city and protective service members should be included in the calculation of the Conversion to Service Retirement and Extended Life retirement allowances.
07/31/17 Committee recommended this matter be held pending resolution of litigation.

PART 4. PENDING STATE LEGISLATION

None.

Employees' Retirement System – Executive Director's Report

December 2023

I. Personnel Update

- A. ERS is working with DER to fill the positions of ERS Fiscal Services Assistant and Investment Analyst- Senior.

II. Member Services

- A. New retirees on payroll in November - 31; 46 are currently anticipated for the December payroll.
- B. Retiree/Employee deaths in October - 30.
- C. The last Retirement Workshop for 2023 for General City employees was on 11/17/23 and 50 attended.
- D. Four General City as well as 2 MPD and 2 MFD Retirement Workshops have been set up for 2024. There may be more added as various departments deem necessary.
- E. We will have a table at the MPA Christmas Party to answer any questions for active as well as retiree police members.
- F. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	26
Death - Ordinary	99
Disability - Duty	361
Disability - Ordinary	572
Retirement	12,760
Separation	39
Total Annuitants	13,857
Active	11,238
Deferred	3,199
Total Population	28,294

III. Financial Services

- A. The 2024 employer contribution pre-payment options notices were sent to city agencies this month. These employer contributions are due on 12/31/25.
- B. Retirees who qualify for the CPI cost of living adjustment should expect a benefit increase of 3% on their retirement anniversary in 2024 based upon the CPI-U change for the 12 months ended in November 2023.
- C. We are working on our banking transition to US Bank from Wells Fargo. The transition is on schedule for us to start using US Bank starting in January 2024.
- D. WRS employee wage and contribution reporting is going well. We are working closely with the Comptroller's Office to get the process mapped out and controls in place.

IV. Information Services

- A. Struts Upgrade and Modernize MERITS Website in progress.
- B. Log4j Upgrade in progress.
- C. Domain Controller Upgrade in progress.
- D. IT Vulnerability Audit in progress.
- E. Third Party Review of Network Architecture Firmware Upgrade in progress.
- F. Backup Exec Upgrade in progress.
- G. Network Infrastructure Firmware Upgrade in progress.
- H. PC Firmware Upgrade in progress.
- I. Server Firmware Upgrade in progress.

V. Administration

- A. Cavanaugh Macdonald will provide CMERS with new actuarial factors for joint and survivor benefits approved by the Annuity & Pension Board at its November 27, 2023 meeting before the end of this month. Due to developments regarding administrative complexity recently disclosed by the actuary inherent with implementing multiple actuarial tables differentiating employment classifications, benefit tiers (1&2) and retirement types (service & non-service) and providing an adequate notice period to members at the same time ERS IT systems are being updated and tested for WRS enrollments and to convert to a new banking services provider, the implementation of the new multiple tables will be effective as of May 1, 2024.
- B. The National Institute on Retirement Security (NIRS, affiliated with NCPERS) recently published a study on the financial impact of the closure of six state DB plans entitled "No Quick Fix". NIRS evaluated closure of these plans and concluded that plan closure accelerates the natural plan maturation process resulting in greater negative cash flows (ratio of contributions to benefit payments), than if the plan remained open to new hires and consequently more exposure to permanent impairment of capital in the event of market sell-offs requiring liquidation of securities to pay benefits. The end result was a reduction in funded status and therefore increased actuarially required contributions.

A copy of the report was sent out with the Friday files. The case study regarding closure of a Michigan plan 26 years ago was especially instructive because the maturity of the Michigan plan is a reasonable proxy for CMERS and the resulting impact of plan closure on plan funded status and therefore benefit security may be instructive. The Michigan plan was a bit over funded when closed 26 years ago and the resulting increase in negative cash flow ranging from 4.2% to 7.6% as assets levels and funded status declined overtime would seem to have implications for investment risk tolerance and long-term investment policy. CMERS currently has negative cash flow of about 6.5%. Callan advised that most closed public plans do not immediately alter asset allocations or expected return but the inevitability of increasing negative cash flows appears to be likely in the end based on the experience of the closure of the state funds studied that may have parallel implications for CMERS.

Basic Website Metrics

	2022		2023										
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
Visits	8,511	4,837	5,930	4,981	5,474	5,447	5,137	4,907	5,735	5,601	5,341	5,626	5,370
Users	7,068	3,496	3,947	3,585	3,894	3,859	3,589	3,380	3,663	3,667	3,490	3,758	3,923
Page Views	20,851	11,753	14,873	11,668	12,933	13,201	12,927	12,220	13,694	13,930	12,747	14,150	13,570
Ave. Visit	:52	1:27	1:39	1:27	1:25	1:28	1:33	1:40	1:32	2:24	1:31	1:35	1:29

- In November 2022, numbers are inflated due to IT Vulnerability Audit.

VII.

INFORMATIONAL

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VII.A.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2023 YTD.
- D. Report on Bills.
- E. Deployment of Assets.
- F. Securities Lending Revenue and Budget Report.
- G. Preliminary Performance Report and Asset Allocation.



December 19, 2023 Board Meeting

PENDING LITIGATION REPORT

Part 1. ERS Litigation through the City Attorney

MPSO/Local 215, et al. v City of Milwaukee, et al; Case Nos. 2019AP001319; 2018CV001274

MPSO and Local 215 filed suit on behalf of certain duty disability retirees against the City of Milwaukee and the Employees' Retirement System alleging the defendants violated the collective bargaining agreements as it relates to the payment of the 5.8% pension offset.

****See prior Reports for case history****

- 03/21/23 WI Supreme Court reversed Court of Appeals decision in favor of Petitioners (Local 215).
- **10/11/23** Plaintiffs (Local 215) Motion to Consolidate with *Vrtochnick, et al. v. City of Milwaukee, et al.* (Case no. 2023CV3007) filed.
- **11/17/23** Plaintiffs (Local 215) Motion for Fees under the Common Fund Doctrine filed.
- **11/28/23** Status Conference. Court will hear Milwaukee Police Association's Motion to Intervene on January 24, 2024. Court will hear Plaintiffs' (Local 215) Motions for Consolidation and Fees Under the Common Fund Doctrine on February 5, 2024.
- **11/28/23** Milwaukee Police Association Motion to Intervene filed.

MPA and Kurt Lacina v. City of Milwaukee, et al; Case Nos. 2023AP000301; and 2022CV001965

Kurt Lacina alleges his DDRA was wrongfully offset by a worker's compensation permanent partial disability award by defendants.

****See prior Reports for case history****

- 10/18/23 Appellants' Reply Brief filed. Case awaiting assignment to appellate panel.

Frank Vrtochnick, et al v. City of Milwaukee, et al; Case No. 2023CV003007

Plaintiff alleges the City and the ERS breached the Milwaukee Police Association 2013-2016 collective bargaining agreement and Chapter 36 of the Milwaukee City Charter as it pertains to the inclusion of the 5.8% pension offset in the member's "base salary" for purposes of calculating the duty disability retirement allowance. The plaintiff seeks to have this current litigation classified as a *Class Action to include all other similarly-situated employees hired prior to October 3, 2011 and represented by the Milwaukee Police Association.*

****See prior Reports for case history****

- 11/02/23 Motion hearing held before Judge Yang. Parties agree that the motion for consolidation is to be heard in front of Judge Grayson. Motion to Dismiss to be held in abeyance. Case adjourned for status conference scheduled for December 19, 2023.

Benjean Lara v. City of Milwaukee, et al; Case No. 2023CV007107

Member filed Petition for Certiorari Review of Pension Board's denial of disability (duty and ordinary) retirement benefits.

****See prior Reports for case history****

➤ 10/12/23 Legal counsel for Respondents filed Notice of Retainer and Answer with court.

Part 2. ERS Administrative Appeal Hearings through the City Attorney

Jason Rodriguez; Administrative Case No. 1443

➤ Hearing stayed pending outcome of Appellant's state workers compensation (WC) appeal hearing. First WC appeal hearing held May 10, 2022. Second WC appeal hearing expected to occur in August or September, 2023.

James Gentry; Administrative Case No. 1522

➤ Hearing requested. Pending scheduling.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Client Conferences 2024

Board Meeting: December 19, 2023

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
January 17, 2024 11:30 am – 12:30 pm	Callan's 10-year Capital Market Assumptions Virtual	Callan Associates
February 21 – 22, 2024 10:30 am – 1:30 pm	"Callan College" on Alternative Investments Virtual	Callan Associates
February 28 – 29, 2024	Dimensional Fund Advisors Annual Institutional Symposium Santa Monica, CA	Dimensional Fund Advisors
March 19 – 21, 2024 10:30 am – 1:30 pm	"Callan College" Introduction to Investments Virtual	Callan Associates
April 8 – 10, 2024	Callan's 2024 National Conference San Francisco, CA	Callan Associates
June 18 – 19, 2024 8:00 am – 11:45 am	"Callan College" Introduction to Investments Chicago, IL	Callan Associates
September 24 – 26, 2024 10:30 am – 1:30 pm	"Callan College" Introduction to Investments Virtual	Callan Associates

Trustee Conferences 2024

Board Meeting: December 19, 2023

DATE(S)		
January 21 – 22, 2024	Pension Communications Summit Washington, DC	NCPERS
January 22 – 24, 2024	Legislative Conference Washington, DC	NCPERS
January 22 – 24, 2024	Visions, Insights, & Perspectives (VIP) Americas Carlsbad, CA	Institutional Real Estate, Inc.
March 4 – 6, 2024	CII Spring 2024 Conference Washington, DC	Council of Institutional Investors
March 8 – 9, 2024	Investment Basics – Certificate Series Course Scottsdale, AZ	International Foundation of Employee Benefit Plans
April 15 – 17, 2024	Pension Bridge The Annual 2024 Half Moon Bay, CA	with.Intelligence
April 17, 2024	8 th Annual Real Estate Midwest Forum Chicago, IL	Markets Group
April 29 – May 1, 2024	Public Funds Roundtable 2024 Beverly Hills, CA	Institutional Investor
May 5 – 8, 2024	Milken Institute 2024 Global Conference Beverly Hills, CA	Milken Institute
May 14 – 15, 2024	10 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 18 – 19, 2024	NCPERS Accredited Fiduciary (NAF) Program and Trustee Educational Seminar (TEDS) Seattle, WA	NCPERS
May 19 – 22, 2024	Annual Conference & Exhibition (ACE) Seattle, WA	NCPERS

Trustee Conferences 2024

Board Meeting: December 19, 2023

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
June 24 – 26, 2024	Institutional Investor Week Newport, RI	Institutional Investor
July 22 – 23, 2024	Alternatives Forum - ALTSCHI Chicago, IL	Markets Group
August 18 – 20, 2024	Public Pension Funding Forum Boston, MA	NCPERS
September 9 – 11, 2024	CII Fall 2024 Conference Brooklyn, NY	Council of Institutional Investors
September 17, 2024	10 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
October 26 – 27, 2024	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATs) Palm Springs, CA	NCPERS
October 27 – 30, 2024	Public Safety Conference Palm Springs, CA	NCPERS
November 9 – 10, 2024	Certificate of Achievement in Public Plan Policy (CAPPP): Pensions Part II San Diego, CA	International Foundation of Employee Benefit Plans

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
January 4, 2024	CastleArk (Chicago, IL)	Erich and Tom
February 26-29, 2024 (Tentative)	Brandes and DFA, along with DFA annual conference	Erich and Tom

Class Action Income 2023 YTD

Asset Description	Date(s)	Amount
Allergan, Inc.	1/11/2023 \$	82
USA Technologies, Inc.	2/13/2023 \$	10,120
JP Morgan Chase Bank	3/23/2023 \$	568
The Bank of New York Mellon	5/12/2023 \$	428
Nine Bank Settlement - Foreign Exchange Benchmark Rates	5/4/2023 \$	6,101
Array Biopharma, Inc.	5/23/2023 \$	2,363
Valeant Pharmaceuticals Int'l Inc.	7/20/2023 \$	59,687
Teva Pharmaceutical	8/1/2023 \$	4,511
GSE Bonds	8/7/2023 \$	25
The Medicines Company	10/23/2023 \$	127
Kraton Corp.	10/25/2023 \$	1,818
Alibaba Group Holding, Ltd.	10/26/2023 \$	33
Cognizant Technology	11/1/2023 \$	4,190
Intuitive Surgical	11/27/2023 \$	874
Total Class Action Income Received in 2023 YTD	\$	90,925

Fiscal Year
2023
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2023-12-31

	Budget	2023-9	2023-10	2023-11	Year to Date Expended	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>							
Employee Salaries & Wages	3,749,620.00	-	-	-	-	-	3,749,620.00
Base Pay-Salary & Wage	-	446,134.61	309,243.23	274,603.63	3,375,758.45	-	(3,375,758.45)
Overtime Premium	-	105.80	202.84	271.65	2,298.47	-	(2,298.47)
Other Worked Compensation	-	2,659.14	28,350.10	2,760.90	34,053.52	-	(34,053.52)
Non-Worked Compensation	-	-	-	-	8,796.45	-	(8,796.45)
Time Paid Not Worked	-	63,202.15	24,875.56	69,835.05	643,381.89	-	(643,381.89)
Employee Salaries & Wages	\$ 3,749,620.00	512,101.70	362,671.73	347,471.23	\$ 4,064,288.78	\$ -	\$ (314,668.78)
Fringe Benefits Applied	1,687,329.00	-	-	-	-	-	1,687,329.00
Fringe Benefits Applied	-	227,171.76	157,466.65	139,828.17	1,718,936.28	-	(1,718,936.28)
Applied Employee Benefits	\$ 1,687,329.00	227,171.76	157,466.65	139,828.17	\$ 1,718,936.28	\$ -	\$ (31,607.28)
Operating Expenditures	15,910,400.00	-	-	-	-	-	15,910,400.00
Office Supplies	-	558.70	438.72	1,296.44	8,533.61	-	(8,533.61)
Printed Forms	-	-	6,362.46	-	19,608.54	-	(19,608.54)
Magazines, Subscription	-	2,246.27	997.11	500.68	6,848.46	-	(6,848.46)
Postal and Mailing Services	-	11,287.91	11,463.07	16,190.27	135,533.27	-	(135,533.27)
Electricity	-	2,186.02	2,145.55	2,896.92	26,758.27	-	(26,758.27)
Films & Other Educational Item	-	-	-	-	998.00	-	(998.00)
Other Operating Supply	-	-	-	-	56,529.30	-	(56,529.30)
Building Rental	-	35,289.40	36,983.53	40,159.99	454,079.39	-	(454,079.39)
Passenger Vehicle Rental	-	103.23	-	-	126.73	-	(126.73)
Printing & Dupl Machine Rental	-	693.65	-	1,556.26	19,946.29	-	(19,946.29)
Consulting	-	-	80,102.40	47,578.97	464,207.92	-	(464,207.92)
Medical, Surgical & Lab	-	18,689.46	17,069.17	31,652.22	176,781.02	-	(176,781.02)
Administrative Charges	-	98,186.20	68,625.92	53,290.08	679,594.26	-	(679,594.26)
Other Professional Services	-	391,296.62	-	1,406,408.74	5,497,131.20	-	(5,497,131.20)
Systems Support	-	62,367.50	40,095.00	85,385.00	546,833.00	-	(546,833.00)
IT Infrastructure	-	5,562.00	19,456.08	7,350.00	130,034.24	-	(130,034.24)
Infrastructure	-	594.20	547.05	553.21	10,096.43	-	(10,096.43)
Telephone, Communications	-	5,701.81	5,972.06	4,668.57	66,963.87	-	(66,963.87)
Bldgs-Machinery & Equip Repair	-	-	-	-	45,777.11	-	(45,777.11)
Travel & Subsistence	-	3,141.33	4,186.21	3,355.76	36,427.33	-	(36,427.33)
Equipment Repair (Parts & Labo	-	-	-	-	402.29	-	(402.29)
Printing Services	-	-	604.43	-	14,132.10	-	(14,132.10)
Insurance-Non Health	-	-	-	463,494.80	477,294.80	-	(477,294.80)
Other Misc Services	-	867.87	63.67	467.87	21,166.45	-	(21,166.45)
Operating Expenditures	\$ 15,910,400.00	638,772.17	295,112.43	2,166,805.78	\$ 8,895,803.88	\$ -	\$ 7,014,596.12
All Equipment	2,036,000.00	-	-	-	-	-	2,036,000.00
Computer Server & Components	-	-	-	-	6,328.76	-	(6,328.76)
Total Equipment	\$ 2,036,000.00	-	-	-	\$ 6,328.76	\$ -	\$ 2,029,671.24
Total Regular Class	\$ 23,383,349.00	1,378,045.63	815,250.81	2,654,105.18	\$ 14,685,357.70	\$ -	\$ 8,697,991.30
<i>Other Departmental Appropriations:</i>							
Pol Pension Lump-Sum Sup Cont	10,000.00	-	-	-	10,000.00	-	-
PABF Payroll	24,000.00	-	988.53	1,000.00	15,293.01	-	8,706.99
Group Life Insurance Premium	4,200,000.00	320,317.90	322,318.40	325,458.22	3,612,388.99	-	587,611.01
Retiree's Benefit Adjustment	25,000.00	1,839.49	1,839.49	2,971.54	18,604.34	-	6,395.66
Other Classes	\$ 4,259,000.00	322,157.39	325,146.42	329,429.76	\$ 3,656,286.34	\$ -	\$ 602,713.66
Total Dept Appropriations	\$ 27,642,349.00	1,700,203.02	1,140,397.23	2,983,534.94	\$ 18,341,644.04	\$ -	\$ 9,300,704.96

Monthly Board Report

30-Nov-23

Account number COMALL

CITY OF MILW ALL ACCTS

Page 1 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-CASH ACCOUNT 2605491	0.00 0.00%	9,717,570.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	9,717,570.90 0.17%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	186,209,126.30 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	186,209,126.30 3.30%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	748,739.81 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	748,739.81 0.01%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	3,038.57 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	3,038.57 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	153,799,323.60 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	153,799,323.60 2.73%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	1,689,584.27 1.78%	93,591,976.25 98.45%	0.00 0.00%	0.00 0.00%	-213,706.30 -0.22%	95,067,854.22 1.69%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	266,604,474.90 100.00%	0.00 0.00%	266,604,474.90 4.73%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	165,118,737.10 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	165,118,737.10 2.93%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	26,002,647.79 30.86%	0.00 0.00%	60,198,637.63 71.45%	0.00 0.00%	-1,950,023.33 -2.31%	84,251,262.09 1.49%
MILWAUKEE-CASTLEARK 2697782	0.00 0.00%	809,991.58 1.10%	72,561,779.74 98.72%	0.00 0.00%	0.00 0.00%	132,917.87 0.18%	73,504,689.19 1.30%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	182,657,011.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	182,657,011.00 3.24%
MILWAUKEE-LOOMIS SAYLE CME01	5,259,056.71 1.20%	0.00 0.00%	7,602,204.46 1.74%	427,705,142.60 97.89%	0.00 0.00%	-3,631,440.51 -0.83%	436,934,963.30 7.75%
MILWAUKEE-BRANDES INT'L EQUITY CME03	3,475,635.25 1.13%	0.00 0.00%	299,046,167.20 97.12%	0.00 0.00%	1,995,099.16 0.65%	3,389,625.58 1.10%	307,906,527.20 5.46%
MILWAUKEE-REAMS CME04	142,062,531.40 20.30%	0.00 0.00%	0.00 0.00%	806,308,615.80 115.21%	3,074,155.55 0.44%	-251,612,109.40 -35.95%	699,833,193.30 12.41%
MILWAUKEE-BLAIR CME05	4,767,696.71 2.26%	0.00 0.00%	206,328,653.00 97.75%	0.00 0.00%	962,081.64 0.46%	-983,800.06 -0.47%	211,074,631.30 3.74%

Monthly Board Report

30-Nov-23

Account number COMALL

CITY OF MILW ALL ACCTS

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Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-MFS	2,201,486.97	0.00	186,719,890.90	0.00	432,072.68	0.00	189,353,450.60
CME12	1.16%	0.00%	98.61%	0.00%	0.23%	0.00%	3.36%
MILWAUKEE-POLN	0.00	3,144,918.18	113,609,184.40	0.00	0.00	0.00	116,754,102.60
2644553	0.00%	2.69%	97.31%	0.00%	0.00%	0.00%	2.07%
MILWAUKEE - PRINCIPAL DRA -SL	0.00	0.00	169,329,836.20	0.00	0.00	0.00	169,329,836.20
2677436	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.00%
MILWAUKEE-BLACKROCK GLOBAL-SL	0.00	0.00	239,141,805.00	0.00	0.00	0.00	239,141,805.00
2683493	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	4.24%
MILWAUKEE - APEF X / 4416352	0.00	0.00	0.00	0.00	10,488,631.00	0.00	10,488,631.00
4416352	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.19%
MILWAUKEE - ABBOTT 2023 / 4416356	0.00	0.00	0.00	0.00	1,950,000.00	0.00	1,950,000.00
4416356	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.03%
MILWAUKEE- AQR-SL	0.00	0.00	100,753,275.00	0.00	0.00	0.00	100,753,275.00
4468331	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	1.79%
MILWAUKEE-APTITUDE / 4479682	0.00	0.00	0.00	0.00	169,124,076.50	0.00	169,124,076.50
4479682	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	3.00%
MILWAUKEE - DFA US LCV	403,017.47	0.00	130,413,582.60	0.00	0.00	11,014.53	130,827,614.60
CME15	0.31%	0.00%	99.68%	0.00%	0.00%	0.01%	2.32%
MILWAUKEE - BLACKROCK US G-SL	0.00	0.00	0.00	394,390,888.40	0.00	0.00	394,390,888.40
MULTIPLE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	6.99%
MILWAUKEE-PRIVATE EQUITY	0.00	0.00	0.00	0.00	755,865,739.00	0.00	755,865,739.00
MULTIPLE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	13.40%
MILWAUKEE-REAL ESTATE	0.00	0.00	0.00	0.00	488,742,344.45	-889,595.55	487,852,748.85
MULTIPLE	0.00%	0.00%	0.00%	0.00%	100.18%	-0.18%	8.65%

Monthly Board Report

30-Nov-23

Account number COMALL

CITY OF MILW ALL ACCTS

Page 3 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
Total for consolidation	158,169,424.51	42,116,491.10	2,306,882,552.75	1,688,603,284.43	1,699,238,674.88	-255,747,117.17	5,639,263,310.53
% for consolidation	2.80%	0.75%	40.91%	29.94%	30.13%	-4.54%	100.00%

Please note that this report has been prepared using best available data. This report may also contain information provided by third parties, derived by third parties or derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction - Northern Trust assumes no responsibility for the accuracy, timeliness or completeness of any such information. Northern Trust assumes no responsibility for the consequences of investment decisions made in reliance on information contained in this report. If you have questions regarding third party data or direction as it relates to this report, please contact your Northern Trust relationship team.

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Employees' Retirement System
Securities Lending Income and Expenses: 2023
As of November 30, 2023

Date	Amounts Expended			Balance
	Income From Lending	Fees	Administrative Transfers	
Balance 12-31-22				\$791,432.47
Quarter 1 Totals	\$207,243.48	\$40,423.69	\$792,000.00	166,252.26
Quarter 2 Totals	\$246,329.07	\$48,650.00	\$0.00	363,931.33
Quarter 3 Totals	\$280,493.17	\$54,996.98	\$0.00	589,427.52
10/04/23	\$2,439.08	\$0.00	\$0.00	\$591,866.60
10/16/23	\$77,475.70	\$15,487.23	\$0.00	\$653,855.07
11/03/23	\$2,847.39	\$0.00	\$0.00	\$656,702.46
11/15/23	\$111,247.73	\$22,241.68	\$0.00	\$745,708.51
Current Totals	\$928,075.62	\$181,799.58	\$792,000.00	\$745,708.51

Note: Expenses for Board Travel/Education, Computer Equipment, Publications and Consulting are now paid from the Operations/Management account

MERS PERFORMANCE ESTIMATES
November 30, 2023

Account	2022 Return	1st Quarter 2023	2nd Quarter 2023	3rd Quarter 2023	Oct 2023	Nov 2023	YTD Thru 11/30/23
Northern Trust S&P 500 Index	-18.10%	7.50%	8.75%	-3.26%	-2.10%	9.13%	20.82%
S&P 500	<u>-18.11%</u>	<u>7.50%</u>	<u>8.74%</u>	<u>-3.27%</u>	<u>-2.10%</u>	<u>9.13%</u>	<u>20.80%</u>
Difference	0.01%	0.00%	0.01%	0.01%	0.00%	0.00%	0.02%
BlackRock Russell 1000 Value Index	-7.54%	1.02%	4.09%	-3.16%	-3.52%	7.55%	5.66%
Russell 1000 Value	<u>-7.54%</u>	<u>1.01%</u>	<u>4.07%</u>	<u>-3.16%</u>	<u>-3.53%</u>	<u>7.54%</u>	<u>5.61%</u>
Difference	0.00%	0.02%	0.01%	0.00%	0.01%	0.00%	0.04%
DFA US Large Cap Value	-4.95%	1.13%	3.42%	-1.45%	-3.99%	7.34%	6.22%
Russell 1000 Value	<u>-7.54%</u>	<u>1.01%</u>	<u>4.07%</u>	<u>-3.16%</u>	<u>-3.53%</u>	<u>7.54%</u>	<u>5.61%</u>
Difference	2.59%	0.12%	-0.66%	1.72%	-0.46%	-0.21%	0.61%
Polen	-37.54%	14.15%	9.75%	-3.27%	-0.95%	11.86%	34.27%
S&P 500	<u>-18.11%</u>	<u>7.50%</u>	<u>8.74%</u>	<u>-3.27%</u>	<u>-2.10%</u>	<u>9.13%</u>	<u>20.80%</u>
Difference	-19.43%	6.65%	1.00%	0.01%	1.16%	2.72%	13.47%
Earnest	-15.13%	4.69%	4.11%	-4.35%	-3.68%	9.03%	9.48%
Russell MidCap	<u>-17.32%</u>	<u>4.06%</u>	<u>4.76%</u>	<u>-4.68%</u>	<u>-4.99%</u>	<u>10.23%</u>	<u>8.82%</u>
Difference	2.18%	0.63%	-0.65%	0.33%	1.32%	-1.20%	0.66%
CastleArk	-27.99%	5.14%	5.35%	-8.85%	-7.05%	9.15%	2.42%
Russell 2000 Growth	<u>-26.36%</u>	<u>6.07%</u>	<u>7.05%</u>	<u>-7.32%</u>	<u>-7.71%</u>	<u>9.10%</u>	<u>5.97%</u>
Difference	-1.63%	-0.94%	-1.70%	-1.53%	0.66%	0.05%	-3.55%
DFA US Small Cap Value	-1.67%	0.83%	0.04%	-4.73%	8.46%	9.03%	9.03%
Russell 2000 Value	<u>-14.48%</u>	<u>-0.66%</u>	<u>3.18%</u>	<u>-2.96%</u>	<u>-5.97%</u>	<u>9.00%</u>	<u>1.96%</u>
Difference	12.81%	1.49%	1.43%	3.00%	1.23%	-0.54%	7.07%
Brandes	-6.88%	11.24%	4.87%	1.81%	-3.69%	9.95%	25.78%
MSCI EAFE	<u>-14.45%</u>	<u>8.47%</u>	<u>2.95%</u>	<u>-4.11%</u>	<u>-4.05%</u>	<u>9.28%</u>	<u>12.27%</u>
Difference	7.57%	2.78%	1.92%	5.92%	0.37%	0.67%	13.51%
William Blair	-28.99%	8.58%	3.18%	-8.26%	-4.03%	11.22%	9.71%
MSCI ACWI ex US	<u>-15.57%</u>	<u>7.00%</u>	<u>2.67%</u>	<u>-3.68%</u>	<u>-4.11%</u>	<u>9.02%</u>	<u>10.62%</u>
Difference	-13.42%	1.58%	0.51%	-4.58%	0.08%	2.20%	-0.91%
DFA Int'l Small Cap Value	-9.75%	6.53%	0.87%	0.07%	-3.03%	6.93%	11.50%
MSCI EAFE Small Cap	<u>-21.39%</u>	<u>4.92%</u>	<u>0.58%</u>	<u>-3.51%</u>	<u>-5.87%</u>	<u>10.06%</u>	<u>5.48%</u>
Difference	11.64%	1.61%	0.30%	3.58%	2.84%	-3.13%	6.02%
AQR	-20.81%	5.87%	1.85%	-0.77%	-3.77%	8.38%	11.60%
MSCI EM	<u>-20.09%</u>	<u>3.96%</u>	<u>0.90%</u>	<u>-2.93%</u>	<u>-3.89%</u>	<u>8.00%</u>	<u>5.70%</u>
Difference	-0.72%	1.92%	0.95%	2.16%	0.11%	0.38%	5.90%
BlackRock Global Alpha Tilts	-16.81%	7.56%	6.09%	-3.06%	-2.40%	9.31%	18.02%
MSCI ACWI	<u>-18.36%</u>	<u>7.31%</u>	<u>6.18%</u>	<u>-3.40%</u>	<u>-3.01%</u>	<u>9.23%</u>	<u>16.60%</u>
Difference	1.55%	0.26%	-0.09%	0.35%	0.60%	0.08%	1.42%
MFS	-18.15%	8.46%	6.23%	-5.37%	-2.97%	10.07%	16.44%
MSCI ACWI	<u>-18.36%</u>	<u>7.31%</u>	<u>6.18%</u>	<u>-3.40%</u>	<u>-3.01%</u>	<u>9.23%</u>	<u>16.60%</u>
Difference	0.22%	1.16%	0.05%	-1.97%	0.03%	0.84%	-0.16%
BlackRock Gov't Bond Index	-12.31%	3.19%	-1.36%	-2.98%	-1.18%	3.44%	0.95%
Bloomberg Gov't Bond	<u>-12.32%</u>	<u>2.98%</u>	<u>-1.35%</u>	<u>-2.99%</u>	<u>-1.18%</u>	<u>3.44%</u>	<u>0.73%</u>
Difference	0.01%	0.21%	-0.01%	0.01%	0.00%	0.00%	0.22%
Reams	-11.39%	4.03%	-0.58%	-3.81%	-2.12%	5.38%	2.61%
Bloomberg US Aggregate	<u>-13.01%</u>	<u>2.96%</u>	<u>-0.84%</u>	<u>-3.23%</u>	<u>-1.58%</u>	<u>4.53%</u>	<u>1.64%</u>
Difference	1.62%	1.07%	0.26%	-0.58%	-0.55%	0.86%	0.97%
Loomis Sayles	-12.21%	3.28%	-0.23%	-2.20%	-2.10%	5.28%	3.87%
Bloomberg US Aggregate	<u>-13.01%</u>	<u>2.96%</u>	<u>-0.84%</u>	<u>-3.23%</u>	<u>-1.58%</u>	<u>4.53%</u>	<u>1.64%</u>
Difference	0.80%	0.32%	0.62%	1.03%	-0.52%	0.75%	2.23%
UBS	8.91%	0.93%	0.96%	2.18%	0.79%	0.44%	5.40%
SOFR + 4%	<u>4.90%</u>	<u>2.08%</u>	<u>2.18%</u>	<u>2.23%</u>	<u>0.77%</u>	<u>0.73%</u>	<u>8.24%</u>
Difference	4.01%	-1.15%	-1.22%	-0.05%	0.03%	-0.29%	-2.84%
Aptitude		0.18%	1.15%	1.75%	0.50%	0.00%	3.63%
SOFR + 4%		<u>2.08%</u>	<u>2.18%</u>	<u>2.23%</u>	<u>0.77%</u>	<u>0.73%</u>	<u>8.24%</u>
Difference		-1.90%	-1.03%	-0.47%	-0.27%	-0.74%	-4.61%
Principal	-5.88%	1.28%	-0.82%	-3.97%	-1.87%	5.25%	-0.38%
Blended Benchmark	<u>-5.06%</u>	<u>1.11%</u>	<u>-1.20%</u>	<u>-2.91%</u>	<u>-2.93%</u>	<u>6.35%</u>	<u>0.12%</u>
Difference	-0.82%	0.17%	0.38%	-1.06%	1.06%	-1.10%	-0.50%
Baird	-1.80%	1.32%	0.47%	1.12%	0.37%	0.98%	4.34%
Bloomberg Govt/Credit 1-3 Year	<u>-3.69%</u>	<u>1.51%</u>	<u>-0.37%</u>	<u>0.73%</u>	<u>0.31%</u>	<u>1.16%</u>	<u>3.38%</u>
Difference	1.89%	-0.19%	0.85%	0.39%	0.06%	-0.18%	0.96%
Total MERS	-6.49%	3.33%	2.16%	-1.72%	-1.92%	4.84%	6.67%

The calculation for the Fund's total rate of return is based on the Modified Dietz method. Although periodic cash flows (i.e., contributions, redemptions) are not time weighted, they are accounted for in the Fund's total rate of return. Therefore, this estimated rate of return may vary slightly from the rate of return reported by the custodian.

The returns shown are gross of fees (except Total MERS, DFA International Small Cap Value, William Blair International Growth, AQR, Principal, UBS, and Aptitude)

ACTUAL ALLOCATIONS

November 30, 2023

		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 186,209,126	3.35%
	BlackRock (Russell 1000 Value)	3.45%	\$ 182,657,011	3.29%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 368,866,137	6.64%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 116,754,103	2.10%
	DFA (Russell 1000 Value)	2.46%	\$ 130,827,615	2.36%
	Sub-Total Active Large Cap Equity	4.40%	\$ 247,581,717	4.46%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	1.77%	\$ 95,067,854	1.71%
	CastleArk (Russell 2000 Growth)	1.42%	\$ 73,504,689	1.32%
	DFA (Russell 2000 Value)	3.05%	\$ 165,118,737	2.97%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 333,691,281	6.01%
Total Domestic		17.55%	\$ 950,139,135	17.11%
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 307,906,527	5.55%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 211,074,631	3.80%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 153,799,324	2.77%
	AQR (MSCI EM)	1.76%	\$ 100,753,275	1.81%
Total International		13.65%	\$ 773,533,757	13.93%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 239,141,805	4.31%
	MFS (MSCI ACWI)	3.51%	\$ 189,353,451	3.41%
Total Global		7.80%	\$ 428,495,256	7.72%
Total Public Equity		39.00%	\$ 2,152,168,148	38.76%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 319,986,559	5.76%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 290,554,895	5.23%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 59,621,342	1.07%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 98,141,574	1.77%
Total Private Equity		12.00%	\$ 768,304,370	13.84%
TOTAL EQUITY (Public Equity + Private Equity)		51.00%	\$ 2,920,472,518	52.60%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 10,469,349	0.19%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 394,390,888	7.10%
	Reams (Bloomberg US Aggregate)	12.83%	\$ 699,833,193	12.60%
Active Fixed Income	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 436,934,963	7.87%
	Sub-Total Active Fixed Income	20.78%	\$ 1,136,768,157	20.47%
Total Fixed Income		29.00%	\$ 1,541,628,394	27.77%
Absolute Return				
	Aptitude (SOFR + 4%)	3.00%	\$ 169,123,179	3.05%
	UBS (SOFR + 4%)	4.00%	\$ 267,777,535	4.82%
Total Absolute Return		7.00%	\$ 436,900,714	7.87%
TOTAL FIXED INCOME & ABSOLUTE RETURN		36.00%	\$ 1,978,529,108	35.63%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 125,527,701	2.26%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 149,625,395	2.69%
	LaSalle (NFI-ODCE)	2.30%	\$ 111,564,139	2.01%
	Prologis (NFI-ODCE)	1.30%	\$ 86,165,685	1.55%
	New Core Fund (NFI-ODCE)	0.90%	\$ -	0.00%
	Sub-Total Private Real Estate - Core	9.70%	\$ 472,882,920	8.52%
Private Real Estate - Non-Core		0.00%	\$ 11,090,385	0.20%
Public Real Assets		3.30%	\$ 169,329,836	3.05%
TOTAL REAL ASSETS		13.00%	\$ 653,303,142	11.77%
TOTAL ERS			\$ 5,552,304,768	100.00%
Total City Reserve Fund			R. W. Baird	84,251,262

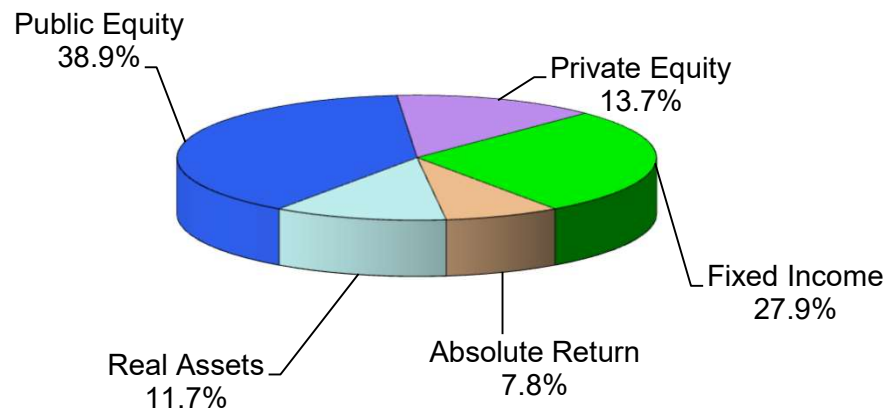
PROJECTED TARGET ALLOCATIONS

Dec 12, 2023

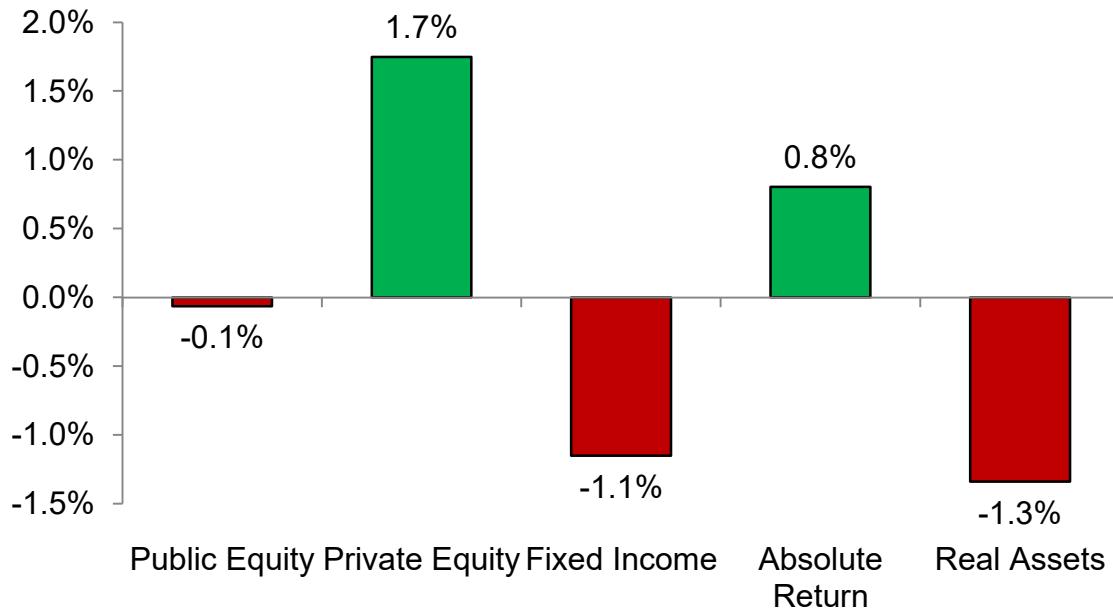
		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.45%	\$ 189,375,199	3.38%
	BlackRock (Russell 1000 Value)	3.45%	\$ 185,647,565	3.32%
	Sub-Total Passive Large Cap Equity	6.90%	\$ 375,022,764	6.70%
Active Large Cap Equity	Polen (S&P 500)	1.94%	\$ 118,933,136	2.12%
	DFA (Russell 1000 Value)	2.46%	\$ 133,115,862	2.38%
	Sub-Total Active Large Cap Equity	4.40%	\$ 252,048,998	4.50%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	1.77%	\$ 97,584,040	1.74%
	CastleArk (Russell 2000 Growth)	1.42%	\$ 74,999,704	1.34%
	DFA (Russell 2000 Value)	3.05%	\$ 170,379,917	3.04%
	Sub-Total Active Mid/Small Cap Equity	6.24%	\$ 342,963,661	6.13%
Total Domestic		17.55%	\$ 970,035,424	17.33%
International				
Active International Equity	Brandes (MSCI EAFE)	5.14%	\$ 310,891,277	5.55%
	William Blair (MSCI ACWI ex US)	3.91%	\$ 214,033,226	3.82%
	DFA (MSCI EAFE Small Cap)	2.84%	\$ 150,128,517	2.68%
	AQR (MSCI EM)	1.76%	\$ 99,708,432	1.78%
Total International		13.65%	\$ 774,761,451	13.84%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.29%	\$ 242,153,298	4.33%
	MFS (MSCI ACWI)	3.51%	\$ 193,005,804	3.45%
Total Global		7.80%	\$ 435,159,102	7.77%
Total Public Equity		39.00%	\$ 2,179,955,977	38.94%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 321,428,906	5.74%
	Mesirow (Russell 3000 Quarter Lag + 2%)	4.20%	\$ 290,554,895	5.19%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 59,621,342	1.06%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.80%	\$ 98,141,574	1.75%
Total Private Equity		12.00%	\$ 769,746,717	13.75%
TOTAL EQUITY (Public Equity + Private Equity)		51.00%	\$ 2,949,702,693	52.68%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash				
		1.00%	\$ 10,237,413	0.18%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.22%	\$ 398,223,750	7.11%
Active Fixed Income	Reams (Bloomberg US Aggregate)	12.83%	\$ 708,748,793	12.66%
	Loomis Sayles (Bloomberg US Aggregate)	7.95%	\$ 442,097,548	7.90%
	Sub-Total Active Fixed Income	20.78%	\$ 1,150,846,340	20.56%
Total Fixed Income		29.00%	\$ 1,559,307,504	27.85%
Absolute Return				
	Aptitude (SOFR + 4%)	3.00%	\$ 169,123,179	3.02%
	UBS (SOFR + 4%)	4.00%	\$ 267,777,535	4.78%
Total Absolute Return		7.00%	\$ 436,900,714	7.80%
TOTAL FIXED INCOME & ABSOLUTE RETURN		36.00%	\$ 1,996,208,218	35.65%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.50%	\$ 125,527,701	2.24%
	Morgan Stanley (NFI-ODCE)	2.70%	\$ 149,625,395	2.67%
	LaSalle (NFI-ODCE)	2.30%	\$ 111,564,139	1.99%
	Prologis (NFI-ODCE)	1.30%	\$ 86,165,685	1.54%
	New Core Fund (NFI-ODCE)	0.90%	\$ -	0.00%
	Sub-Total Private Real Estate - Core	9.70%	\$ 472,882,920	8.45%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 11,096,996	0.20%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 168,945,868	3.02%
TOTAL REAL ASSETS		13.00%	\$ 652,925,784	11.66%
TOTAL ERS			\$ 5,598,836,695	100.00%
Total City Reserve Fund		R. W. Baird	84,423,618	

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Current Policy Benchmark



YTD Market Value Change

December 31, 2022 Market Value including City Reserve & PABF Accounts			\$ 5,550,112,010
Monthly Cash Outflows thru	<u>December 12, 2023</u>		
Retiree Payroll Expense		\$ (422,805,315)	
PABF Payroll Expense		\$ (23,732)	
Expenses Paid		\$ (15,310,055)	
GPS Benefit Payments		\$ (7,809,774)	
Sub-Total Monthly Cash Outflows			\$ (445,948,876)
Monthly Cash Inflows thru	<u>December 12, 2023</u>		
Contributions		\$ 159,191,652	
PABF Contribution		\$ 25,725	
Sub-Total Monthly Contributions			\$ 159,217,377
Capital Market Gain/(Loss)			<u>\$ 419,879,803</u>
Value including City Reserve & PABF Accounts as of	<u>December 12, 2023</u>		<u>\$ 5,683,260,314</u>
Less City Reserve Account ¹			\$ 84,423,618
Less PABF Fund ²			\$ 2,644
Net Projected ERS Fund Value as of	<u>December 12, 2023</u>		<u><u>\$ 5,598,834,052</u></u>

1 The City Reserve Account balance equals the market value currently held in the Baird account.

2 PABF Fund balance equals the market value currently held in the PABF account.

2023 ESTIMATED MONTHLY CASH FLOWS

Revised 12/13/2023

(in 000's)

	<u>12/31/2022</u>	<u>1/31/2023</u>	<u>2/29/2023</u>	<u>3/31/2023</u>	<u>4/30/2023</u>	<u>5/31/2023</u>	<u>6/30/2023</u>	<u>7/31/2023</u>	<u>8/31/2023</u>	<u>9/30/2023</u>	<u>10/31/2023</u>	<u>11/30/2023</u>	
<u>Beginning Cash Account Balance</u>													
Townsend Cash Account	5,435	-	-	-	-	-	-	-	-	-	-	-	
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	
Milwaukee Cash Account	17,447	80,926	44,668	55,372	44,788	51,099	26,178	91,206	40,998	53,916	51,098	9,509	
Total Cash Available	22,883	80,926	44,668	55,372	44,788	51,099	26,178	91,206	40,998	53,916	51,098	9,509	
Less: Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	
Cash Available for Other Outflows	(16,617)	41,426	5,168	15,872	5,288	11,599	(13,322)	51,706	1,498	14,416	11,598	(29,991)	
<u>For Monthly Cash Outflows of:</u>													
Retiree Payroll Expense	(39,141)	(39,561)	(39,102)	(38,290)	(39,016)	(38,553)	(39,619)	(39,285)	(39,477)	(39,452)	(39,120)	(39,819)	(470,434)
Normal Retirement Payroll	(38,011)	(38,140)	(38,215)	(38,049)	(38,308)	(38,271)	(38,890)	(38,598)	(38,823)	(38,877)	(38,624)	(38,720)	(461,525)
Retiree Lump Sum Payments	(1,130)	(1,421)	(886)	(241)	(708)	(283)	(729)	(687)	(654)	(575)	(496)	(1,099)	(8,909)
Real Estate Capital Calls	-	-	-	(43)	-	-	-	-	-	-	-	(42)	(85)
Private Equity Capital Calls	(826)	(1,620)	(11,248)	(3,017)	(13,730)	(25,576)	(300)	(2,244)	(9,632)	(807)	(5,955)	(14,618)	(89,572)
Expenses Paid through City	(1,949)	(1,554)	(1,410)	(566)	(2,112)	(835)	(1,588)	(2,526)	(822)	(1,031)	(917)	(2,734)	(18,044)
PABF Payroll	(2)	(12)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(24)
Sub-Total Monthly Cash Outflows	(41,917)	(42,747)	(51,761)	(41,917)	(54,859)	(64,965)	(41,508)	(44,056)	(49,932)	(41,291)	(45,993)	(57,213)	(578,159)
<u>For Monthly Cash Inflows:</u>													
Sponsoring Agency and Employee Contribution	2,514	2,483	3,470	2,779	2,530	2,438	2,263	3,242	2,847	2,636	2,709	2,716	32,628
Real Estate Distributions	2,400	42	11,651	345	251	3,330	0	-	248	344	91	18	18,720
Private Equity Distributions	235	3,647	9,453	2,389	3,376	11,468	314	7,456	10,616	5,235	1,314	6,000	61,503
Miscellaneous Income	164	315	277	218	213	269	296	213	238	257	289	209	2,958
Security Lending Transfer	792	-	-	-	-	-	-	-	-	-	-	-	792
City and Agency Required Contribution	101,853	-	-	-	-	-	19,560	5,217	1,319	-	-	-	127,950
PABF Inflow	2	2	14	1	-	-	2	1	1	1	1	1	26
Sub-Total Monthly Cash Inflows	107,961	6,489	24,865	5,733	6,370	17,506	22,437	16,129	15,269	8,472	4,404	8,943	244,577
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	66,043	(36,258)	(26,896)	(36,184)	(48,489)	(47,460)	(19,071)	(27,927)	(34,663)	(32,818)	(41,589)	(48,270)	(333,582)
Net Monthly Cash Surplus (Need)	49,426	5,168	(21,728)	(20,312)	(43,201)	(35,860)	(32,394)	23,779	(33,165)	(18,402)	(29,991)	(78,261)	(234,940)
<u>Monthly Cash Withdrawals (Additions)</u>													
AQR													-
BlackRock Global Alpha Tilts				9,900		39,600	11,500	5,300					66,300
BlackRock Russell 1000 Value Index					3,000	17,600	9,000	6,300					35,900
BlackRock US Government Bond Index				(50,000)	(44,000)	(15,000)	(59,000)	(8,000)				47,000	(129,000)
Brandes			12,500	12,900	14,300	20,800	19,800	14,500	14,100				108,900
CastleArk						5,300	4,500	1,400					11,200
Dimensional Fund Advisors US Large Cap					4,500	9,100	5,000	6,500	4,800				29,900
Dimensional Fund Advisors International				6,800	7,500	19,700	7,600	5,500					47,100
Dimensional Fund Advisors US Small Cap						11,700	10,500	8,200	6,000				36,400
Earnest						6,700	6,400	3,500	3,400				20,000
Loomis Sayles			5,100			(35,000)	(41,000)	(18,000)					(88,900)
MFS	(36,000)			8,200	8,900	13,300	12,800	9,100	6,800				23,100
Northern Trust S&P 500 Index				6,000	15,600	22,100	8,900	4,000	3,200				59,800
Polen			4,000	4,600	5,000	7,700	7,500	5,500	5,300				39,600
Principal													-
Reams			7,000	(47,000)		(94,000)		(66,000)					(200,000)
UBS A&Q	28,000			75,000	20,000		50,000		30,000				203,000
Goldman/Aptitude						(6,262)							(6,262)
William Blair			9,000	9,100	10,100	14,800	13,500	5,400					61,900
Sub-Total Monthly Cash Withdrawals	(8,000)	-	37,600	35,500	44,900	38,138	67,000	(16,800)	43,600	30,000	-	47,000	318,938
<u>Estimated Month-End Cash Balance</u>													
Cash Available	41,426	5,168	15,872	15,188	1,699	2,278	34,606	6,979	10,435	11,598	(29,991)	(31,261)	
Estimated Cash Needs for non-Investment Outflows	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	39,500	
Total Cash Estimated on Hand For Next Month	80,926	44,668	55,372	54,688	41,199	41,778	74,106	46,479	49,935	51,098	9,509	8,239	